

GORBACHEV  
FACES THE  
REBELS

# Maclean's

## AN EPIC FAMILY STRUGGLE

A close-up, black and white portrait of an elderly man with glasses, identified as Harold E. Ballard. He has a serious expression and is looking slightly to the left. His hands are clasped in front of him.

THE BATTLE TO  
CONTROL THE  
BALLARD EMPIRE

LABATT AND MOLSON  
CONSIDER A STAKE  
IN THE MAPLE LEAFS

Maple Leafs Owner  
Harold E. Ballard,  
Before Entering Hospital



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# Maclean's

CANADA'S WEEKLY NEWSMAGAZINE JANUARY 25, 1990 \$3.15 (NO. 4)

## CONTENTS

- 2 EDITORIAL
- 4 LETTERS/PASSAGES
- 8 OPENING NOTES

*Coast Black sends a note; Soviet chic—from Italy; New Brunswick keeps an exporting the anti; Monkey Business has its price; Bob Rae's press aide goes on the record; Civic Forum gets the fix; the European Community employs its leader; Britain spots a new threat to Olympic fair play.*

### 11 COLUMN/BARBARA AMIEL

#### 12 CANADA

*The Senate stalls on reform—and leaves some requests with less; Canada's first war-crimes trial leads to calls for more prosecutions; an Ottawa court acquiesces for the Lorne Simpson of shoplifting.*

#### 18 WORLD

*Michael Gorbachev confronts separatists in Lithuania; the Eastern Bloc agrees to reform its economic alliance; U.S. naval patrol plans return Latin America; the Pentagon's reporting of the invasion of Panama appears to have been misleading; China lifts martial law; Japan pledges massive aid to Poland and Hungary.*

#### 26 BUSINESS

*A revolutionary new sound system from Calgary wins a starring endorsement.*

#### 29 BUSINESS WATCH/PETER C. NEWMAN

#### 30 COVER

#### 39 LAW

*Demand for the legislation of drug increases.*

#### 41 JUSTICE

*Television shows lead police to U.S. fugitives.*

#### 42 MEDIA WATCH/GEORGE BAIN

#### 45 PEOPLE

#### 46 TELEVISION

*A CBC movie looks at crime, but not always proper, turn-of-the-century Ottawa.*

#### 47 FILMS

*Richard Gere stars as a underfoot cop in a stylish, sinister thriller.*

#### 48 FOTHERINGHAM

## COVER

### A FAMILY STRUGGLE

*An Harold Ballard was surrounded in a Miami hospital by his friends, family and constant companion Yolanda Ballard, the future of Maple Leaf Gardens was plunged into uncertainty. While the board of directors assumed temporary powers, many analysts said that it was the beginning of a bitter struggle for control of the lucrative Gardens and its Maple Leaf's hockey club.*



## CANADA

### THE END OF A LINE

*Trains on nearly half Via Rail's 38 passenger routes made their final run on the weekend, despite election-hour court challenges against Ottawa's decision to order the cuts. Meanwhile, one entrepreneur unveiled a \$14.5-million luxury train that will take over a transcontinental route through the Rockies.*



## BUSINESS

### CAMPEAU LOSES CONTROL

*After a weeklong series of meetings, the Campeau Corp. board of directors acted to prevent its founder, entrepreneur Robert Campeau, from exercising any control over the dividers U.S. major retail chains he bought in 1986 and 1988. The company owns a total of \$1.3 billion.*





## LETTERS

### SELLING OFF CANADA

The annual Macleod's/Dominion poll ("An uncertain future," *Cover*, Jan. 3) is spreader New Year's lunch. I want my country back. Since 1964, the Tories under Brian Mulroney have governed Canada in the same way: new misguided redistributive programs, an expensive takeover; they have been systematically dismantling the country and selling off the pieces to pay the debts incurred to finance the takeover—financial debts to big business, in the form of free trade, tax reforms, and attacks on the social safety net, and political debts to Quebec nationalists. Let us hope that by the time the shareholders finally get to vote the shareholders out, there will be something left to salvage from the wreckage.

Michelle Trappier Robinson,  
Aurora, Ont.



Mulroney: 'dismantling the country'

### PERSPECTIVE ON VIETNAM

I apologize to all Canadians on behalf of millions of Americans who would never, as I did, upon reading Jo Denno's letter to Alan Fotheringham ("Letters—defining and otherwise," *Covers*, Dec. 20), which stated that she had all respect for Canada when it took in our Vietnam war draft dodgers and deserters. Her

attitude is reflective of what is now, I think, a small minority of Americans who are still unable to put our Vietnam involvement into perspective and of a microscopic fanatic fringe who may still insist Canada for avoiding the same conclusions about the war in Vietnam that many of our most Americans have eventually reached themselves. If I have any beef with Canadian journalism, however, it is that the views of American extremists are often portrayed in the Canadian media as being generally representative of the American population at large.

J. Michael Donovan  
Lynn, N.H.

### ANOTHER CANDIDATE

Peter C. Newman's samples of greed and stupidity ("A vintage year for greed and stupidity," *Covers*, Dec. 20) are really the work of garbage dealers who particularly like big money and public treasures. Add to Newman's list federally financed strip-tease joints.

Alan R. Dabrowski  
Riverside, B.C.

*Letters are edited and may be condensed. Writers should send letters without envelopes. Macleod's does not print letters from the Editor Macleod's magazine. Address: 177 Bay St., Toronto, Ont. M5W 1A7.*

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## PASSAGES

**DND:** British comic actor Terry-Thomas, 78, famous for his portrayal of pompous roles in dozens of movies, including the 1964 classic *The All Right Girl* and the 1965 hit *Those Magnificent Men in Their Flying Machines*, of complications from Parkinson's disease, as a nervous, hunched actor. He died in London. Throughout his 40-year movie career, the actor's scrawny, white, egg-shaped face, his mobile eyebrows and military mustache, he has appeared in more than 200 movies. His illness, which forced him into retirement in 1979, also led to his resignation from DND. He died in London.



**DND:** Influential military historian and journalist Drew Middleton, 76, who first gained international attention for his detailed coverage of the Second World War from battlefields across Europe and North Africa, in his sleep in his New York City home. Middleton, an honorary commander of the Order of the British Empire, worked for *The New York Times* for 47 years and was widely respected for his authoritative books on military affairs.

**ELECTED:** To the Bushnell Hall of Fame, Jim Palmer, 44, who pitched with the Baltimore Orioles for 11 years starting in 1965, and second baseman Joe Morgan, 46, a 20-year veteran who helped the Cincinnati Reds win the 1975 World Series in their first year of eligibility, by the Baseball Writers Association of America.

In his poll report, Quebec was the only province showing a large majority favouring independence. In that province, 80 per cent of respondents endorsed the two official languages. But less is this possible when levels have been passed in Quebec that show French only signs throughout the province? Are the lawmakers in Quebec not elected by the people of Quebec?

Nelson Wright,  
Montreal

This talk of separation is getting ridiculous. If Quebec can vote to separate if the March 20th referendum is held, why cannot any other part of Canada, say Vancouver Island, vote to separate if it does pass?

Jim R. Ferrell,  
Surrey, B.C.

I am scared of strong Manitoba, Saskatchewan and Alberta jumped together as one entity. If nothing else, this Manitoba's step on Manitoba Lake not proven to Ontario, British Columbia and Quebec residents that we are not to be pushed into your "Prison province" mould at all of the time.

Les Springman,  
Winnipeg

### YUKON DESIGN

The "Yukon design controversy" Opening Notes, Dec. 20 over license-plate design underscores the indifference of some officials. License plates need to be clear, for easy vehicle identification. British or West German plates show how much clearer our plates could be.

George D. Hansen,  
Chuluvine, Yukon, B.C.

MACLEAN'S JANUARY 12 1993 2

# OPENING NOTES

Canada Post appeals for patriotism, Conrad Black puts his complaints in writing, and Monkey Business goes on the block

## NEWS FROM GOOD SOURCES

Conrad Black moved his residence from Toronto to London last August, where his holdings include the *Daily Telegraph*—the largest quality newspaper in Britain with a daily paid circulation of 1.3 million copies. Since then, Black has become one of the most visible Canadians in Britain—in large part because many of his quorums swiftly become front-page news. Last week, in fact, several rival newspapers printed letters that detailed an angry dispute between Black and Andrew Knight, 40, the former chief executive of the *Telegraph Group* and now a close friend of Black's. Knight resigned from that post



Black, angry, handwritten letter

last October. But on Jan. 2, Rupert Murdoch, Black's employer, announced that Knight had accepted an offer to become the managing chairman of News International, the publisher of *The Times*. Black responded with a handwritten letter to Knight that day, describing his former executive's decision to join Murdoch in mid-March "as premature to the point of unconsciousness." Knight's response on Jan. 7, he chided Black for sending what he called "an emotional and inaccurate letter." Indeed, Knight argued that he had validly sought Black's advice for two weeks before announcing that he was joining Murdoch. Where Knight: "There has been no incident here, and you declined even to discuss the matter at a starting date." Added Knight: "You have provided a very jolly story for the newspapers."

## Moscow makes the difference

In a reversal of East-West trade patterns, a Moscow-area factory is now shipping Renaults (black) and Jeeps (blue) west and down paths to France. There, other Soviet-style cars, including Volkswagens that resemble the jacket-watches of Soviet railway engineers, are in great demand. Said French clothing distributor Marc Augier: "People like these goods because they are attracted by exotism. And today, exotism is no longer the South Sea, it is the East." Still, while one French firm is exporting black-and-white sweaters sent from the U.S.S.R., the railway Volkswagen and many other Soviet-style items are again that actually manufactured in the West. In the case of the Renaults, for example, the cars are actually manufactured in Italy and sent to Moscow, where western automobile companies are bidding the brand's bid in Cyrillic script. Coming next, perhaps Soviet-style ballpoint pens.



Pashkoville blue jeans: Soviet-style goods

—Soviet pens. As a result, Renault makes the pens and pencils in Italy and sends them to Moscow, where western automobile companies are bidding the brand's bid in Cyrillic script. Coming next, perhaps Soviet-style ballpoint pens.

## PATRIOTISM AT A PRICE

Because U.S. rates are lower, some Canadians are trucking large amounts of foreign-bound mail to U.S. post offices. There, sending a first-class letter to a U.S. address costs 29 cents, the equivalent of 16 cents less than a U.S.-bound letter from Canada. Indeed, *Toronto Star* columnist Bruce Wilson estimates that they saved \$70,000 last year by sending foreign mail from nearby Maine. Despite such savings, a Canada Post spokesman appealed to Canadians to shun the cheaper U.S. alternative. Could this be a campaign to stamp out confidentiality?



Rios (left) Rita Mitchell of the second still obliging to Monkey Business

## BEACHED BY A SHIPBOARD AFFAIR

The disclosure of an alleged extramarital affair between Democratic presidential hopeful Gary Hart and model Donna Rice exploded on the American public in May, 1987—wrecking the candidate's chances of winning the White House. Since then, Hart has faded from public view while Rice, who briefly posed some expensive modeling. No Texas-born blue jeans, now lives quietly in Virginia where she spends much of her time doing charity work. Meanwhile, in Miami,

shorter-hair operator Betsy Vagstad sold the mistress of the Hart-Rice scandal still cling to Monkey Business—the yacht on which Hart and Rice took a weekend cruise and on which she was photographed sitting on Hart's knee. Vagstad added that he wants to sell the boat for \$1.7 million—because it's out of a country difficult. Declared the owner: "My land of clients do not want people staring and saying: 'There goes Monkey Business. Where's Gary?'"



Foodstuffs in Poland: reduced supplies

## Losing weight in a hurry

European Community officials who promised last month to send emergency supplies of food to Romania now acknowledge that they overlooked a significant development: the 10's so-called food mountains have shrunk in recent years. In 1988, the EC's stockpiles held 1.3 million tons of butter, 3.1 million tons of wheat, 855,000 tons of milk powder and 523,000 tons of beef. But stricter production quotas and large donations of food to another impoverished Eastern European country, Poland, have helped to reduce those stocks. By last November, supplies had been drastically reduced: 24,000 tons of butter, 2.2 million tons of wheat, 5,000 tons of skimmed milk powder and 136,000 tons of beef. In any event, the reductions will not affect the pledged shipments to Romania. Said EC spokesman Bruno Jelen: "There's still enough in the buffer to go around, even though it might be necessary to stagger some deliveries." Meanwhile, there is one exception in the EC's successful surplus program: despite cutbacks and production cuts, a so-called wine lake—largely vines of cheap table wine—has grown in size to 563 million gallons. But as East and Europe's new frontiers, there are no plans to augment that lumpy cache with surplus Western wine.

## Bumps on the career path

Last month, Robert Mitchell ended a four-year stint as press secretary to Bob Rios, the New Democratic Party leader in the Ontario legislature, accepting a lucrative offer to become the national press and publicity manager for Toronto-based CTS Records Canada Ltd. But Mitchell noted that he almost wrecked his chances for that position when a company official telephoned him to set up a job interview. Mitchell mistook her for a CTS market researcher. Recalled Mitchell: "I said, 'You'll remember the last time I bought a CTS product.'" That comment is new of the record.

## COMMUNICATION LINKS FROM CANADA

Thomas Bern joined from Toronto to Czechoslovakia last month, ending a more than 40-year absence from his native land. And in Prague, the 75-year-old chess manufacturer presented his gift to the new team that ended 41 years of Communist rule: 11 portable electronic machines. Robert McLean, first secretary at the Canadian Embassy in the Czechoslovakian capital, noted the excitement that the new machines generated among Civic Forum members. Said McLean: "At that time, they literally had nothing in the way of technical help—no computers or even electric typewriters." Now, added McLean, there are telephone fax numbers for Civic Forum members across Czechoslovakia. Call it the Canadian connection.

## BOOSTER SHOTS FOR VICTORY

Only 60 hours after Canadian Senator Ben Johnston won the 100th seat at the 1990 Social Summit Olympics, officials devoted hours of medical attention to his knee—and promptly stopped him at his goal. Now, how would the 40-year-old Johnston, secretary of the Ontario Federation of Agriculture, be able to win a medal in a new performance-enhancing drug called erythropoietin (EPO)?

could be much more difficult to detect. According to Dr. Mark Harris, the director of the British Olympic Medical Centre, which was originally created to help competitive athletes, will help competitors in such evidence exists in the situation and the location because it increases the oxygen-carrying capacity of red blood cells. And while doctors, said Harris, evidence of EPO leaves the body at most immediately after injection. As a result, the winning organ could once again come from the pharmacy.



Johnston: doctors will be harder

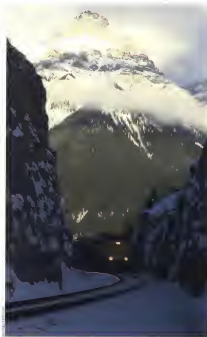


# THE END OF A LINE

**AN ERA ENDS AS VIA RAIL DROPS HALF OF ITS TRAINS 104 YEARS AFTER THE LAST SPIKE WAS DRIVEN**

**F**or PS Grade 3 and Grade 6 students from Sacred Heart School in Sackville, N.S., it was an excursion to remember. Swaddled in their brightly colored snowsuits, they clambered aboard Via Rail Train 665 en route after 8 a.m. last Thursday. The last was only a two-car rail liner bound for Halifax, 415 km away. And the children's own journey would end after just 28 minutes in North Sydney—where the students boarded buses to return to their downtown school. But for some youngsters, the brief journey was as close as they may ever get to the romance of the railroad. Said 11-year-old Grade 6 student Gregory Davidson: "This was my very first time on a train. I wish I could have gone to Halifax by train sometime, but I can't now." Indeed, Train 665 made its last run in the westbound Okanagan Grade 3 teacher Colleen MacDonald. "Many students had never been on the train before. And most of them may never have a chance again."

Eleven days later, the prevailing sentiments were anger and sadness over cutbacks that leave the service at half-strength this week. On Friday those feelings surfaced. Although a British Columbia court ordered Via to preserve one Vancouver Island route for at least another year, two other last-stands appeals to the courts failed to force the government to delay its sweeping reductions to the nation's rail service at least until after the Royal Commission on Passenger Transportation publishes its report in two years. In all, 38 of Via's 35 routes were dropped outright. Many others suffered cutbacks. And despite benefits worth more than \$140 million that will pay some workers their full salaries until the age of retirement, the 1,800 Via workers who report for their final shifts as Sunday depart



Via train in the Rockies history

universally also expressed their sadness.

Where many felt disappointment, a few saw opportunity. Toronto entrepreneur Sam Rytin, for one, maintained a \$54-million luxury and service through the Rocky Mountain to begin in July (page 14). As well, long-distance bus companies were preparing to offer new alternatives to rail travel. Said Robert Gilis, marketing manager of Nova Scotia's Acadia Lines: "We are gathering we will have an increase of business of about 10 per cent."

But clearly there was something more at issue behind Ottawa's decision to reduce Via's 1949 subsidy of \$565 million to \$350 million by 1992—the direct cause of the reductions. Since its creation in 1977, Via has received more than \$5 billion in public money. In 1986, that subsidy amounted to about 40 cents per mile for every passenger. Despite the investment, fewer than five per cent of Canadians regularly took the train. The Conservative government's first target of Victor subside cuts was a review of federal spending last March. Then, last fall, the cabinet ordered Via to slash its operating costs from 606 passenger trains weekly to 196, beginning Jan. 15.

The action created a swift outcry. Municipal and provincial officials, transportation lobbyists, tourism entrepreneurs, environmental groups and other Canadians soon came to court all manner of their claims in protest. Last week they lost. The massive legal challenge by two provincial governments and more than 20 municipalities—joined by several other organizations and individuals—was also sought to forestall the cuts. In Vancouver, the provincial government went to the B.C. Supreme Court to try to preserve a route on Vancouver Island—the province claimed it was purchased by the "spirit" of British Columbia's entry into Confederation.

Meanwhile, in Ottawa, two groups pressed the Federal Court to block Ottawa's cuts. A group of municipalities in Ontario, New Brunswick and New Scotia—including Toronto, Fredericton and Sackville—supported by the general lobby group Transport 3600, argued that the cuts were contrary to the Canadian Charter of Rights and Freedoms, and failed to respect an implied constitutional agreement between Ottawa and the regions. In another action, NDP MP Ian Angus joined the environmental group Greenpeace in condemning

Transport Minister Bernice Boischard for what they claimed was a failure to conduct a wide-ranging environmental impact study and the proposed changes. Said Sydney Myer, Macgregor MacDonald, who was in Ottawa on Friday for the court hearing: "We would be less than honest with the people if we didn't try."

But the court appeals proved largely unsuccessful. In Vancouver, the B.C. Supreme Court rejected the first three arguments, and Ottawa delayed for a year. Its decision to close the Vancouver Island route. But in Ottawa, the Federal Court rejected both petitions lodged before it. "Like most Canadians, I find it somewhat odd to see this turn of events," Justice Paul Rouleau observed in a potential aside to the judgment.

"But if our government deems it necessary, it doesn't seem necessary." Still, some of Via's supporters described those decisions as a major triumph. Said Toronto Mayor Arthur Eggleton: "The war is not lost."

But for travellers and crews aboard the country's disappearing passenger trains, the prevailing spirit was one of bitter-sweet regret for an institution that, having lasted one century with the other for 164 years, was clearly running out of track. Among the trains no longer running this week were seven weekly departs of Via's internationally famed Canadian, between Vancouver and the west and Montreal and Toronto at the start for the 37-day journey across the country. Reflected Alexander Lee, 72, a retired Kirkland Lake, Ont., policeman, as he sat at Calgary's Palliser Square Station for the outbound Canadian: "This trip is a sentimental journey. We loved the railway of 30 years, and I personally have to see it go."

For some of Via's passengers, however, the cutbacks have more than nostalgia. Among the couples who work in Toronto's financial district, said they will now have to give up their 12-room Victorian home in Kensington, 80 km northwest of Toronto. Until this week, they were able to take a train service to Metro's Toronto's Union Station—a 60-minute trip. With that service ending this disappointing,



Boischard lowers subsidies

Thomas, a lot to be sad. They hold a lot of our history." Still, Lee added, "it does not make sense to operate them at a loss."

For some of Via's passengers, however, the cutbacks have more than nostalgia. Among the couples who work in Toronto's financial district, said they will now have to give up their 12-room Victorian home in Kensington, 80 km northwest of Toronto. Until this week, they were able to take a train service to Metro's Toronto's Union Station—a 60-minute trip. With that service ending this disappointing,

## National Notes

### GLASGOW AND THE GST

External Affairs Minister Joe Clark told the Conservative women's caucus in 86 minutes that opponents of the proposed seven-per-cent federal Goods and Services Tax are being deceived when they claim that the tax could be avoided through deeper federal spending cuts. In a questionnaire that surprised many listeners, Clark also suggested that, in areas in which the people of Eastern Europe are making their lives for fundamental political changes, Canadian should be willing to sacrifice a little to implement the GST.

### A FLAWED STUDY

A panel of 22 independent scientists convened by the Federal Environmental Assessment Review Office pointed to 190 major flaws in a defence department study which concluded in October that a proposed \$500-million mine light training base at Labrador would have only a minor effect on wildlife and active hunting and trapping.

### WICKHAMPT ALIBIS

Quebec Court Judge Charles Gauthier asked out at the national media for what he called a "witch-hunt" against Quebec Tory MP Jean-Luc Jones, who has pleaded not guilty to 58 counts of fraud, breach of trust and forgery. Gauthier, who ordered Jones to appear at a preliminary hearing on March 7, said that in the eyes of the public "he has already been tried." Meanwhile, papers filed with Ontario provincial court in Ottawa showed that the RCMP is investigating allegations that Quebec Tory MP Gilles Bisson and his former caucus colleague Richard Gauthier paid each other's sons on the House of Commons payroll as researchers between 1986 and 1988. Gauthier resigned from his seat last May after he was charged with corruption charges and fined \$25,000.

### MORE FISH PLANTS CLOSE

In a new round of shut-downs, B and E Banks Fisheries Ltd. announced that it was closing 26 fish plants in Bear River, N.S., while Paddyfish Seafood Inc. said it was closing another plant in Digby, N.S. In all, the three operations employed as many as 125 people.

### TOO BIG TO MEET

Breaking with a five-year tradition, Prime Minister Michael Wilson told business, labor and social groups that he is too busy to meet them personally to hear their views before this year's federal budget, expected next month. Instead, Wilson has asked the various groups to submit written submissions.



they are now contemplating moving, rather than spend as much as twice that long battling heavy traffic in order to reach the city. Said Gordon MacDonald: "I don't go through that driving."

Many Via employees without work don't receive generous benefits. In Stearns, N.B., tucked away in Miramichi, the 30,000-km stretch laid some 100 miles in four years of security and no prospect of another job with the company in the area, he will be one of about 90 Via employees the Atlantic region qualifying for what the company calls an "employment security" program. Stearns will have to make himself available for work if Via offers it, but if the company can find nothing for him to do, he will be paid his regular salary of \$426 a week until he finds Stearns, a helper of 37. "It's good, but I'd rather be working. And even now I'm kind of skeptical about it. When I see that first cheque I'll believe it."

But other employees remained optimistic about their future. For some, severance benefits have yet to be decided. Others must choose between their business and their work. Barry Galin, a maintenance supervisor in Sydney, for one, passed Via last year after eight years with CN. Now, he must relocate to Gaspé in order to keep his job with Via. "This time last year they promised us the world to join them," he reflected bitterly, adding, "and now this."

But for its part, the competing long-distance bus industry is prepared for a modest boom following Via's demise. Wilton Verrier, president of Toronto-based Grey Coach Lines, said that while the company is acquiring new, wider and better-equipped buses—some with attendants and snack bars—in an effort to attract former bus passengers. Similarly, the nation's largest bus carrier, Calgary-based Greyhound Lines of Canada, has announced that it will add 58 buses to its current fleet of 375 and increase routes, routes and service to large cities during the next business.

Meanwhile, the supporters of the trains were out in force to ensure their passing. Via bookers were bickering still in 18 Canadian cities, some even threatening to sue the maker of several trains. Other plans were even more ambitious. Some members of the Maritime Solid Group Theatre based in rural Gaspé, Quebec, said they would launch a "theatrical workshop" in the last Lefebvre-Spencer production trip. Armed with tape and video recorders as well as costumes and sketch pads, they would interview coach members and passengers to collect material for a play with the working title "Enfouissement du Héarid 664." Said artist director Jerry Maudsley: "When I walk a mile, I don't just count the number of steps. I count the number of steps I take as 'Go in Canada, Hello!' Because I perceive the reasons for reducing passenger rail services, many Canadians have a similar feeling."

GLENN ALLEN is in Halifax with PAUL QUINN.  
In Vancouver, JOHN ANDERSON is in Calgary.  
GLENN W. TYLOR is in Toronto and  
LORNE FOSBERG is in Ottawa.

## A new national dream

An entrepreneur unveils a luxurious train

Just as Via Rail's new much-reduced Canadian bus lines for seniors, entrepreneurs like Roy's Royal Canadian will shuttle passengers between Toronto and Vancouver, but the railway ends there. Roy's, 35-year-old founder of Toronto's Blyth & Co. travel agency—which specializes in packaging and selling exotic vacations—announced in New York City's Plaza Hotel last week that he will spend \$14.5 million to launch a carriage

a month along the Canadian Pacific Railway's track, making a round-trip of Calgary, Seattle and Lake Louise along the way. It will also make two return trips a month along the scenic Rockies route between Calgary and Vancouver. Said Blyth: "The train will attract a lot of tourists who wouldn't otherwise come to Canada." It will also provide jobs as kitchen staff, waiters and porters for many laid-off Via employees, he added.



Trains similar to planned Royal Canadian. French chef and private viewing domes.

train alternative to Via's service in July 1. But he insists will allow dramatically from Via's collection of well-worn rolling stock. The old old-passengers that his company hopes to attract, the transcontinental journey will be "a luxury rail experience."

It will be expensive to travel on Blyth's train. The cost of a one-way three-day trip will be between \$1,495 and \$3,495, compared with Via's \$363 for a coach seat on its Toronto-Vancouver route and its top tier of \$599 for a roomette with its own bathroom. But Blyth said that his tickets to fill enough of his train's 135 spaces to make a profit. Among the promised amenities: meals cooked by French chefs and served in a deluxe dining car. Even late-night passengers will sleep in comfort with private bars, videos and telephones. Those who pay the top fare can choose a suite with a private viewing dome and access to an exclusive 12-seat dining room.

The train is a 30-year-old, once Amtrak superliner that operated between Los Angeles and San Francisco—without four return trips

But Blyth is not alone in considering private-entrepreneur replacements for the Via's abandoned routes. In Port Townsend, Ore., Paul Pagnanelli, president of a group originally established to try to save a Via commuter service along a spur line northeast of Toronto, told Maclean's that he expects to raise \$25,000 by the end of January to study the feasibility of a private train service. And in Calgary, former Via vice-president of western Murray Jackson said that he hoped to launch his own Calgary-Vancouver excursion train through the Rockies.

Said Blyth, Blyth's plans are clearly more ambitious. His 13-year-old company now has revenues of \$50 million and reported profits last year of \$2.5 million. Among its other ventures, it has been using package trips on Gaspé's famed Grand Express train since 1984. Now, Blyth clearly hopes to turn that experience to his advantage and seek to restore romance to the rails in the country.

GREG W. TYLOR

## Caught in the cross fire

The jobless pay for a political deadlock

The winter of 1989-1990 is shaping up as a cruel one for Michael Lefebvre. Like many of his neighbors in the Cape Breton community of Sydney Mines, N.S., the 37-year-old Lefebvre has been unable to find a permanent job. Instead, he works part time in a cannery, library or in the steel industry, trying to accumulate enough work each year to be eligible for unemployment insurance benefits.

Since May, when his unemployment benefits expired, Lefebvre has worked a total of nine weeks—one short of the minimum number of weeks of an employer must normally be required to draw UI benefits in Cape Breton. But on Jan. 6, the eligibility requirement rose to 14 weeks—a level that Lefebvre said is beyond reach. "I checked around, but it looks like it will be May or June before there are any more jobs available," said Lefebvre, who is married with two children. "Before, when you needed 10 weeks of work to collect UI, at least I had a chance. But I guess the job situation is so tight now that I can't even get about the people who are in it."

In fact, Lefebvre is one of thousands of Canadians who are caught in the cross fire of the latest parliamentary battle between the House of Commons and the Senate.

At the center of the controversy is Bill C-21, introduced by the Conservative government last June as part of a sweeping overhaul of the \$13-billion-a-year unemployment insurance

policy for benefits. But, those adjustments will not go into effect unless the legislation becomes law. As a result, since Jan. 6, Canadians in every region, regardless of the political race, must now work at least 14 weeks before claiming benefits.

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policy to look at bills carefully and to propose amendments where necessary."

According to Wilton, McDougall could have spared public workers in severe regions by approving a bill that would have temporarily cancelled the old UI eligibility rules. "But the truth is that she wanted those people to suffer as they would put pressure on us to pass her bill," Wilton said. "It that is not cynical, I do not know what is."

Government officials said last week that it was still too early to estimate how many people will be affected by the political deadlock. But a policy adviser to McDougall, Richard Perkins, said that a total of 10,000 Canadians, who had fewer than 14 weeks of work in the last stable earnings, had qualified for UI benefits in areas with lower employment requirements during the last three months of 1988. According to Perkins, a senior member of people would likely suffer if the current battle between the Commons and the Senate drags too long.

However, the delay benefits people who lose their jobs in severe regions. The Liberal senators have criticized provisions of the bill that would increase the qualifying period for benefits from the current 14 weeks to as many as 20 weeks in some areas, including most of southern Ontario.

The controversy over Bill C-21 is the most recent of several clashes between the two chambers since the Conservative minority came to power in 1984. In 1985, Liberal senators delayed a government borrowing bill to force the Commons to accept Liberal financial grounds, a tactic that even some Liberal MPs called distasteful. Later, the Liberals used their minority in the Red Chamber to stall government bills, a tactic that led to the Commons to delay a bill to reduce the number of refugee claimants granted asylum in Canada, and the legislation implementing the Canada-U.S. Free Trade Agreement.

Neither the government nor the opposition was willing to concede how long the U.S. constitutional veto will continue. The Senate will likely approve an amended version of the bill later this month, after which the legislation will return to the Commons. But McDougall said last week that she will not accept any more changes to the bill.

As a result, the Commons may decide simply to ignore the bill to its original form—and refer it back to the Senate. "I am not going to give in to this kind of blackmail," McDougall said. "I do not want to second-guess what will happen, but the only conclusion for a long time is that, if it does, an extraordinary number of jobless Canadians will find themselves having to pay the price of a deadlocked Parliament."

ROSS LAFER is in Ottawa.



Lefebvre: Robert (below) is a cruel winter in the power regions

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# A race against time

Canada's war-crimes cases could take years

In the popular court movie *Heinrich*, a Chicago lawyer played by Jessica Lange is asked to defend her Hungarian-American brother against charges that he carried out atrocities for the Nazis in wartime Hungary. In the film, the lawyer's belief in her father's own moral values as the evidence against him mounts. Last week, Ontario Supreme Court Justice Arthur Campbell instructed jurors in Canada's first war-crimes trial not to use *Heinrich* to put the movie out of their minds if they had already seen it.

Indeed, as the trial of 77-year-old Hungarian-born Toronto restaurateur Franz Finta resumed following a Christmas break, Campbell urged the jury to avoid all media reports related to the case. For his part, Finta has pleaded not guilty to charges of robbery and manslaughter as well as to charges of kidnapping and carrying 18,000 Jews to Hungary in 1944. His trial, which continues this week, is expected to last until May. But Campbell's instructions emphasized the modernity of charged crimes that still surround the events of the Holocaust half a century later.

The sensitive issue of whether to prosecute elderly Canadians accused of being former agents of Nazi repression has taken on a higher profile in recent years. In December, 1996, Ontario Justice Minister Jean Charest, then headed by Justice Supreme Court Justice Finta. Deschamps recommended immediate action against 20 alleged war criminals living in Canada. The Deschamps commission also urged investigations to look more deeply into the war records of another 205 suspects.

Canadian politicians' concerns the danger that elderly key witnesses against any possible defendants might die of old age before the accused reach court. Now, despite a stepped-up effort to track down and prosecute possible war criminals, critics say that Deschamps' fears are being realized. "Sad David Matas, Whappes-bard senior counsel to the Jewish service organization, Elan Benth. "Many witnesses and accused have died, and many documents have just disappeared. We are in a race

against a deadline, and for some that deadline has already passed."

For its part, Ottawa responded to the Deschamps report in September, 1987, by amending the Criminal Code to permit prosecutions of

other persons who have been arrested in connection with alleged wartime atrocities. On Dec. 14, Michael Powelwicz, 75, a retired carpenter for whom the law in London, an Ontario Valley town, was taken into custody and charged with the 1942 murder of 450 Jews and 60 non-Jewish Poles in his native Byelorussia, in the western part of the Soviet Union. Powelwicz, who was later released on bail, is scheduled to appear in court on Jan. 23.

Finta, who was also released on \$200,000 bail, has been sitting quietly in court almost every day since his trial began on May 22, listening to Holocaust survivors and historians testify about the mass deportations of Hungarian Jews in 1944. Finta, then captain with the Hungarian mounted police, is accused of forcing Jews from the village of Sighet into overcrowded railcars bound for Nazi death and labor camps, including the infamous Auschwitz in Poland. Many did not survive the journey. After the war, Finta spent a year as a prisoner of the Americans, then worked in several hotels and restaurants before moving to Canada. In 1953, he opened the Candlelight Cafe, later renamed the Molnar Rouge—in downtown Toronto, where he dined with and was photographed with such famous patrons as poet E. E. Cummings and French actor Maurice Chevalier. Finta said his share in the restaurant in 1972.

The cautious pace of federal prosecutions has left some Jewish leaders and opposition politicians to accuse the government of not taking advantage of all available resources to bring suspected war criminals quickly to justice. Matas, who has written a book, *Justice Delayed: War War Criminals in Canada*, has urged Ottawa to adopt new measures to speed up the process. For one thing, he says, the government should act on and hear the Deschamps recommendations and allow investigators access to confidential old age pension records in order to see whether potential suspects or witnesses are still alive. As well, Matas challenged the government to adopt some of the more expeditious tactics advocated by Deschamps, including withdrawing citizenship and deporting those convicted of lying on their immigration papers, and extradition.

Since 1987, Ottawa has taken that last of action only once. Last spring, the Federal Court of Canada held hearings to decide whether Dutch-born Joseph Luitpold, 70, should be charged if his citizenship had been stripped of his citizenship for allegedly lying when he entered Canada in 1961. Luitpold, a former University of British Columbia biology professor, was connected to his attorney by a Dutch court in 1948 for collaborating with the Nazis, and sentenced to life imprisonment. The challenge to his Canadian citizenship is in before the court.

Other critics claim that the war-crimes trial, prompted by a desire to minimize the

chances of long-term court, is being too meticulous in the way that it is mounting evidence. Said Liberal justice critic and former solicitor general Robert Kaplan: "I have a horrible feeling that the government wants to try out in two cases to test the viability of the legislation and then proceed to others. But given the age of the criminals, victims and witnesses, those cases can't wait much longer." Added, Newmarket, Ont. Liberal, the Toronto-based Canada representative for the Simon Wiesenthal Center of Los Angeles: "Such trial will be a masterpiece, and masterpieces frequently take a long time to complete. In the meantime, the biological clock is ticking."

But some Jewish leaders are more supportive of the government's strategy. While he would like to see the process speeded up, Canadian Jewish Congress president Les Scheinberg says he is sensitive to the problems of gathering evidence of war crimes in many of the Eastern Bloc countries where they occurred. He added, "I'm satisfied that the people working in the justice department are aware, committed and hardworking." For his part, war-crimes sub-director Nelson said critics must acknowledge that, when Deschamps raised his report, even the judge recognized that the government had a "considerable investigative backlog" and "if it expected to bring war criminals to account, [Deschamps] said that the experience of other war-crimes suits in countries such as the United States and West Germany showed that individual investigations took anywhere from two to six years to complete. Canada's top Star lawyer also made no apologies for the careful manner with which his court assembled cases. Said Nelson: "It would do violence to the community if we rushed ahead with a prosecution without the proper investigations and found we got the wrong person."

According to Bluskin, Canada's war-crimes legislation is "the most comprehensive of its kind in the world." Indeed, Bluskin noted that it is "the only [legislation] that deals with modern war crimes." As a result, he added, the law could also be used to prosecute members of Cambodia's ill-fated Khmer Rouge—responsible for an estimated one million deaths in the Southeast Asian nation between 1975 and 1979—or Latin American death squads, should either turn up. Canada has also been asked to prosecute members of Cambodia's ill-fated Khmer Rouge—responsible for an estimated one million deaths in the Southeast Asian nation between 1975 and 1979—or Latin American death squads, should either turn up. Canada has also been asked to prosecute members of Cambodia's ill-fated Khmer Rouge—responsible for an estimated one million deaths in the Southeast Asian nation between 1975 and 1979—or Latin American death squads, should either turn up.

Bell, for critics such as Matas, the glacial pace of painstaking prosecutions would be unwelcome justice to society at large. Declared Matas: "We are not dealing with these men like any other criminals, we're treating them like war criminals, and we're saying killing is wrong, unless you're killing Jewish victims." With that kind of chilling concern still being mustered by some Canadians, it will clearly be some time before justice is done to the victims—and authors—of the Holocaust.

BRAND BERGMAN and LISA NUN BUSHEN  
in Ottawa



Nystrom (left) and Ruby: the end of "an experience I wouldn't wish on anyone."

## Out of the shadows

An MP is acquitted on a shoplifting charge

The critical case took only a few minutes. But what took weeks, it had not a shadow over one of the New Democratic Party's brightest lights. On Nov. 28, at 11:44 a.m., near St. Louis, Nystrom entered a Shoppers Drug Mart in downtown Ottawa, went to the cosmetics section, opened a \$17.79 package of cosmetic line creaming shade, put the contents in his pocket, replaced the empty package on the shelf and then left the store without paying for the items. Moments later, security guard Marilyn Gorman stopped the 43-year-old MP outside the store and called police. Nystrom was charged with shoplifting.

Last week, however, Nystrom told a crowded Ottawa courtroom that he had pocketed the items in a state of distraction and fatigue and was unaware that he had carried them out of the store. "I have to show you I put them in my pocket," the lawyer blurted out testily. "I wish I could tell you why." For his part, Gorman, who is an eighty-year veteran as a store security guard and who kept Nystrom under surveillance throughout the episode, insisted a court that he had acted unreasonably. He declared, "It was no honest mistake, I would have known it." But provincial court Judge Brian Leveson accepted Nystrom's explanation and acquitted him.

It was perhaps the most sensational shoplifting case in Canada since January, 1983, when then-Prime Minister Jean Chrétien was charged with shoplifting a bottle of perfume from a store in Montreal with a security guard that he had not paid for. Chrétien was convicted of that crime in 1985 and was

fined \$300. The incident destroyed his political career. But last week, Montserrat Toronto-based lawyer Clayton Ruby argued successfully in Nystrom's defense that the *Saskatchewan MP* has a history of forgetfulness—including misplacing his keys and, on one occasion, leaving his car over his backseat, which he thought was in the trunk. As well, Ruby contended that the stress of the upcoming 38th federal election, which Nystrom was scheduled to co-chair beginning the day after his visit to the Ottawa downtown, compromised his attention. Ruby, the called Liberal MP for Jan. Province, Conservative MP David Kilgour and former MP MP for Ontario in the stand as character witnesses for Nystrom. To complete his case, the lawyer presented an expert in package design who testified that the box containing the cosmetic cream design was so confusing that a consumer might have to remove the items in order to make sure that they were the right product.

For Nystrom, the acquittal ended what he called "an experience I wouldn't wish on anyone." As it was, details of his personal history—including the color of his handkerchief and the brand of shampoo he uses (Nystrom—witness entered into the public record. And for his part, Gorman, who has hosted a weekly public affairs show on the Quebec television network, told a court a critical admission in the two cases. Said Gorman: "He was innocent, and I was guilty."

LISA NUN BUSHEN in Ottawa



Finta (left) and lawyer Douglas Christie: the first trial

Matas: call for swift justice



# CHALLENGING GORBACHEV

**A**s *Mingstas* Chirkolis prepared to see Soviet leader Mikhail Gorbachev last week, his excitement was nearly apoplectic. The 56-year-old Chirkolis, who joined the Communist party more than 30 years ago, belongs to both the nationwide Congress of People's Deputies and the Central Committee of the republic of Lithuania's Communist party. Those positions, coupled with Chirkolis's profound admiration for the Soviet leader, would appear to make him a loyal ally. But as Gorbachev paid a three-day visit to Lithuania, Chirkolis said that he and the majority of people in the republic had only one issue to discuss with him: "Gorbachev must allow Lithuania to become free and independent from this Soviet Union," he told *Macleans*. "He must also realize that this cannot be delayed any longer."

During Gorbachev's travels across the tiny Baltic republic of 3.7 million people, he saw demonstrations of widespread support for those beliefs. The so-called "trip" designed to define greater pro-independence sentiments, provided clear signs that many Lithuanians are prepared to push policy of decommunization to the heart. His arrival in Vilnius, the capital, coincided with a pro-independence demonstration attended by an estimated 305,000 people. And although Gorbachev was politely not even warmly greeted at various meetings, Vytautas Landsbergis, chairman of the pro-independence Sąjūdis group, which organized the demonstration, made a critical distinction. "We greet Mr. Gorbachev," he said, "as the leader of a great neighboring state."

Such bold pronouncements presented Gorbachev with his most direct political challenge since he became leader in 1985. With much of the country already embroiled in ethnic strife, and support for communism still strong in the neighboring Baltic republics of Estonia and Latvia, Lithuania may be a test case for smaller challenges. In fact, Latvia recently became the second republic to repeal an article of the constitution that guarantees the Communist party a "leading role" in society. The Latvian non-Communist have gone one step further, declaring in December that their party was independent of the national party.

## THE SOVIET LEADER TRIES TO HALT LITHUANIA'S DRIVE TOWARDS INDEPENDENCE FROM MOSCOW

In response, Gorbachev's public manner last week alternated between cordiality and cynicism. Walking into a Vilnius crowd with his wife, Raisa, he argued that Lithuania's separation would threaten its reform programs—and perhaps even his job. "We have embarked on this path, and I am the one who chose it," he declared. "My personal fate is linked to this choice." Clearly playing for time, he later told a group of Lithuanian academics that he is

prepared to make sweeping constitutional changes that would greatly enhance the powers of each of the constituent republics. He also said that a bill is now being written that would allow any of the 15 republics the right to secede in an orderly fashion. However, taking a tougher tack, the Soviet leader repeatedly warned that full independence would be an economic calamity for Lithuania, costing it millions of dollars in subsidized Soviet products

and raw materials. Go or stay in the world market, he said, "and you'll bog down as a swamp immediately."

Landsbergis reacted angrily to Gorbachev's mention of a new legal mechanism for secession. "This is a trap for many people in the West," he said. "It means other people will decide for us." For weeks, political leaders in Lithuania have been debating what measures Moscow might take if the republic continues on its path towards independence. Most Lithuanians claim that Gorbachev, despite pressure from Communist hard-liners, would not want to spread secessionism. But Sąjūdis members and local government officials say that Moscow has veiled threats of an economic blockade that would deprive the republic of badly needed imports of food and fuel. And one member of Gorbachev's entourage conceded that Kremlin officials "are running very, very tight" against Lithuania's leaders and particularly against Algirdas Brazauskas, the reform-minded head of the Lithuanian Communist party (banned by the Soviet official). "There are a lot of people who believe we should just fire Brazauskas and all his supporters, replace them with someone loyal to us and say to hell with our bad policy."

But after Gorbachev's visit, the Lithuanian Communists remained silent on independence. Vytautas Stankulevicius, the senior member of Lithuania's delegation to the Supreme Soviet, told *Macleans*, "There is no burning back, no

desire to compromise possible from our side on this issue." In fact, Lithuania has a strong legal case in challenging Moscow's control. The Soviet Union imposed the Baltic republics under a secret pact with Nazi Germany in their 1939 non-aggression treaty. As a result, many Baltic—and Western governments—have recognized Soviet control over the region. The Soviet legislature earlier this year declared the pact null and void, but insisted that the Baltics remained part of the union.

Still, Lithuania, with its strongly homogeneous background and traditions, is distinct. Eighty per cent of its residents are ethnic Lithuanians with a history, language and culture that have little in common with those of most of the Soviet Union. Only nine per cent are ethnic Russians, while the rest are of varied backgrounds. Said Alvydas Medvedevskis, a Sąjūdis organizer: "Lithuanians do not look, act, think or speak like Soviets, and we do not want to. So why are we forced to believe?" People of all ages echo that opinion. A group of Kovno students, speaking to largely middle-aged members of the local Academy of Sciences, were booed and jeered when they questioned Lithuania's right to independence. Among young people, feelings ran equally strong. Asked whether he supports political independence for Lithuania, Adrian Viskarska, a 25-year-old teacher, replied, "I cannot think of a single circumstance where you do not."

Lithuanians, many of whom have a blood,



Pro-independence demonstration in Vilnius. Gorbachev argues with Lithuanians (below) a public manner that swings between cordiality and exasperation



## World Notes

### FREEDOM AND BLOODSHED

In South Africa, Walter Mandelso and that her husband, Mick, refused to leave Nelson Mandela, would be freed only this year. For nearly 26 years in prison, just one day after his announcement to leave, his people were killed and 25 injured when hundreds of protesting, rail workers leded strikers with missiles, stones and clubs at a station near Johannesburg, the most violent incident in a 16-week strike by black rail workers.

### MILITARY MURDERS

El Salvador's President Alfredo Cristiani said that unidentified members of the country's armed forces were involved in the murders of six Jesuit priests at a university campus in San Salvador on May 18. Many analysts say that the killing is a sign of the willingness of Cristiani's right-wing government to prosecute members of the military for human rights abuses.

### A COMMUNIST CAPTIVATES

East Germany's Communist Prime Minister Hans Modrow bowed to opposition demands and promised not to create a new security force before free elections next May. He had said that a new force was vital to combat neo-Nazi activity and disaffected crimes. But neo-Communist parties in the eastern government had threatened to resign over the move.

### A DIVYED IDEA

India's northern Kaskas state, recently taken over and killed 18 people after Muslim militants attacked the forces with stones and gasoline bombs, a government spokesman said. Militants are fighting to separate the Muslim-majority Kashmir from India.

### A MASSIVE MURDER

In Peru, police said that militant Shining Path guerrillas shot and killed 100 defense minister Enrique López Albarrán, the most prominent member of a 10-year-old guerrilla war that has left more than 27,000 people dead. Police arrested 15,000 people in a search for his killers.

### A SPACE RESCUE

Astronauts orbiting Earth aboard the U.S. space shuttle Columbia saved a valuable space station with a \$500,000, Canadian-made robotic arm. The huge, 11-ton space station was the largest satellite ever recovered in space. The station carries 37 experiments testing the effects of low-gravity space exposure to strains ranging from brain's stress to spacecraft construction materials.

Nordic appearance and frequently speak heavily accented Russian, say that others. Some of them discriminate against them. Historically, few republics have suffered more under Soviet rule. Under the repressive regime of eastern Soviet dictator Juvli Stelin, as estimated 300,000 Lithuanians were arrested on spurious charges and deported to labor camps. Many died there.

But Lithuania has been amazingly successful in ending the threat of its limited size. One dramatic example is the sophisticated political network that links members of Lithuania and the ruling Communist party. Squads, which are "secret" in Lithuania, were formed in the summer of 1988. Although the group has no formal membership other than its 24 secret leaders, it has already penetrated into the republic's politics. Squads' organized rallies have been attended by hundreds of thousands of people, and Squads-endorsed candidates all won may elections in last May's national elections in the so-called Congress of People's Deputies. Even Communist party officials acknowledge that their leader, Branas, was elected only because Squads decided not to endorse any candidate running against him.

Since Squads's creation, Lithuania has officially retained the republic's former flag and national anthem, and the legislature has declared Lithuania to be the only official language. Last month, the republic, which is largely Roman Catholic, formally celebrated

Christmas Day as a recognized holiday for the first time since the Second World War. In the last year, many streets and villages that had been renamed in honor of Soviet leaders have been restored to their original names.

Many of the Squads' board members also hold senior positions in the Communist party. Saul Chikotla, who is also a board member of Squads, "By having lots of Communists who are part of the government, Squads is stronger. By having lots of Squads members with public support, the Communist party is stronger." Some officials acknowledge that they belong to the party only to further the campaign for political independence. Saul Chikotla, "The Communist party is the force leading the fight across the river towards independence. I still support an act of independence to give the party because it is up to us to lead and decide that here—and to control as true."

Still, the future of Lithuania's Communist party members remains unclear. Although party leaders Branas has been widely respected for his determination to steer an independent course from Moscow, among many Lithuanians resentment against the party is so strong that they say they would support it under any circumstances. "Communism is the reason our people are not free," said Rita Belaitiene, a 36-year-old housewife. "I cannot forgive any Communist for that." With elections to the republic's Supreme Soviet scheduled for Feb. 24, Squads and Commu-

nist members will be staring directly against each other in a number of constituencies. And already, the close relationship between Squads and the party is showing signs of strain. Last week, Communist officials accused Squads for its "unacceptable" behavior in organizing mass demonstrations during Gorbachev's visit.

Despite those differences in tactics among Lithuanians, Gorbachev clearly sensed the republic's overwhelming support for independence. Senior Lithuanian Communists say that they have received behind-the-scenes indications that Gorbachev is prepared to compromise. One Lithuanian Communist official, who has met several times with Gorbachev and other Politburo members, said that the Soviet leader appears ready to accept the establishment of two Communist parties in each republic: one independent from Moscow, the other affiliated. From there, said the official, "it would only be a short step towards a real multiparty system." But he added, "The question is whether the rest of the Politburo would stand for it."

In Lithuania, where Squads-backed candidates appear almost certain to dominate the republic's elections next month, the drive towards independence will likely accelerate. After the biologist, predicted Chikotla, "a referendum on independence will be held in two years' time." In a speech to Lithuanian workers last week, Gorbachev appeared well aware that a decisive period may be approaching. He urged them to help build a better Soviet Union and to think of the potentially hazardous consequences of separation. "If you are thinking about independence," he declared, "do not think about it every once-in-a-while (it is a thousand times). But in a republic with a long-held pursuit for independence, that is a demand that many Lithuanians have already met."

ANTHONY WILSON-SMITH is in Vilnius.



Bronas, winning widespread respect

# Shock Absorbers.



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## A STALINIST LEGACY UNRAVELS

Soviet dictator Josef Stelin created the system. In 1949, in an effort to integrate the economy of the Soviet Union with its newly acquired satellite states in Eastern Europe, Stelin created the Council of Mutual Economic Assistance. Since then the Soviet-led trade alliance has drawn up five-year plans that dictated what the member states would produce and where to sell their goods—worth little regard for the markets of supply and demand. But the ironclad agreements that have shackled Communist regimes throughout Eastern Europe in recent months brought new faces to the 45th Comcon conference in Sofia, Bulgaria, last week. And one after another, the new delegates denounced Comcon. They argued that its inflexibility has paralyzed econ-

omy and blocked the economies of Eastern Europe close to ruin. "A 40-year period is coming to an end," Bulgarian Premier Georgi Marinov declared. "This system marks a new start with new rules of the game."

At the end of the two-day meeting, Comcon delegates agreed to reform the alliance radically: that the 10 members—the Soviet Union, Poland, East Germany, Czechoslovakia, Hungary, Bulgaria, Romania, Cuba, Vietnam and Mongolia—renounce divided over the pace of change. Hungary, Czechoslovakia and Poland pressed for rapid reforms that would eventually dissolve the organization and create a free trading bloc similar to the European Community. Soviet officials countered a more cautious approach. In the end, members agreed to form a special commission to draw up proposals for reform "in the shortest possible time."

The Soviets, however, did advocate rapid currency reforms. They said that members, who now trade among themselves with so-called transferable rubles, a currency that is worthless outside Comcon, should begin trad-

ing inconvertible currencies, including dollars, by 1990. This drew a cold reaction from Eastern Europeans. The Soviet Union will not sell gold and gas, which are mainly exportable at world prices, just away of its allies export poorly made manufactured goods that would earn low prices on the world market. The Soviet plan, said one Czechoslovakian delegate, would be a "barricade" if it took effect next year.

Still, Czechoslovakian delegates expressed appreciation that other reforms would be delayed until after the commission presents its report later this year. Comcon's needs are evident, said Czechoslovakian Finance Minister Václav Klaus. "It is a step to the market and toward international trade," he declared. Despite the disagreements within the alliance, it was clear that one of Stelin's most enduring economic legacies is destined for transformation.

MARK KEMETH with SUE MASTERMAN in Sofia.

A devastating earthquake struck California and Maclean's had an editorial team there within hours, a team that included Photo Editor Peter Bregg, Vancouver Bureau Chief Hal Quinn, and Washington correspondent Hilary Mackenzie.

The assignment: absorb the myriad facts and feelings, the images and the impact—from San Francisco to Santa Cruz—and bring the stories home to you.

The result: our cover package "Shock And Aftermath" provided comprehensive on-the-spot coverage with perspectives and photos found nowhere else.

**Maclean's**

THE WELL-INFORMED CHOICE

# Gunship diplomacy

U.S. plans to patrol off Colombia raise alarms

Many Latin American nations have traditionally accused U.S. interventionism of being insensitive to their concerns. Accordingly, a U.S. plan to mount a naval patrol along the Colombian coast, coming in the wake of the withdrawal of U.S. Marines from Panama last month, triggered substantial alarm from Mexico City to Buenos Aires. The opposition from Colombia itself has been so intense that the Bush administration work postponed the action. Still, many observers say that it may already have scored prospects for the anti-drug summit on Feb. 15, which President George Bush and the presidents of Colombia, Peru and Bolivia are scheduled to attend. Still, one senior U.S. diplomat last week: "It's almost as though someone in the Pentagon had drafted a master plan to wreck the summit."

The plan to stop and search Colombian ships for illegal drugs was first reported by major U.S. newspapers on information clearly sup-



U.S. aircraft carrier Kennedy: reassurance from Washington

plied by Pentagon sources. Some reports even referred to "a blockade." Colombian reaction was swift and negative. Although his powers were cited with Washington as the campaign to defeat Colombia's notorious Medellín drug cartel, Colombian Foreign Minister John Linde Pérez de Lara declared that his country "does

not and will not accept any type of interference with Colombia's results on the high seas, and obviously not in our territorial waters." The Colombian media, which have been leading the fight against the drug barons—and among reporters and editors associated in response—were equally outraged. The U.S. plan, said Bogotá's *El Espectador*, was "shameful, reprehensible and scandalous."

In Washington last week, Bush tried to reassure Colombian President Virgilio Barco. Blaming the sponsor an "irresponsible press reports," he assured Barco that the U.S. navy officers intended to patrol within Colombian territorial waters, that no blockade was ever contemplated and that no action would be taken without the full consent of Colombia. Many observers maintain that the U.S. disclaimer was unconvincing.

Expressing concern over prospects for the Feb. 15 drug summit at Cartagena, Colombian observers said that Colombian officials were also disappointed by Washington's failure to provide economic aid to help their country fight the drug barons. As well, President Norberto Uribe of Peru threatened to boycott the meeting if the United States does not

withdraw its troops from Panama quickly. Clearly, Washington has to appear to be more than when it says in the region porting as a public relations blunder.

**JOHN BERNARD with GREGG WILKINSON in Bogotá and WILLIAM LOWMYER in Washington**

fighting, but we have been told 33 marines, but they are not and not a person has been killed and that no one was killed in the battle.

There was also confusion about the number of Panamanian civilians killed. Last week, the *New York Times*, a leading newspaper, reported that 1,200 Panamanian civilians had been killed. After first refusing to give civilian casualty figures, U.S. military officials in Panama last week estimated that, along with 33 American servicemen and 334 Panamanian soldiers killed, 300 innocent civilians may have died. But some observers continued to express skepticism. Said another *New York Times* column: U.S. ambassador to Panama "My gut reaction is that a total list of people around there have an interest in covering up the numbers." The true numbers, critics continued to insist, were another casualty of war.

**WILLIAM LOWMYER in Washington**



Police patrol in Tiananmen Square: 'Something is going to give'

CHINA

## A dubious concession

After martial law, the iron fist continues

The announcement was clearly geared for international consumption. Wearing a smart, Western-style business suit and speaking in a calm tone, Chinese Premier Li Peng went on national television last week to announce the end of nearly eight months of martial law. "The situation in the capital and the whole country has become stable," he declared. "A great victory has been won in ending the counterrevolutionary rebellion." Li's new, moderate style was in stark contrast to the bellowing language he used last May 18, when dressed in a military Mao suit and angrily shaking his fist, he imposed martial law to quell a massive pro-democracy demonstration in the capital's Tiananmen Square. Two weeks after that declaration, Chinese troops attacked demonstrators, killing hundreds—perhaps thousands—of people. And even after martial law ended last week, observers said that military police will continue to enforce harsh laws designed to crack down on dissent. The lifting of martial law and U.S. Representative William Boniorfield, the leading Republican on the House foreign affairs committee, is a conciliatory gesture—"a rare line visible and correct."

Western observers in Beijing said that Li's announcement appeared to be part of a government effort to win back foreign loans and investment which were suspended after the June crackdown. And the strategy appears to be paying dividends. Within hours of Li's an-

ouncement, Japan's foreign ministry announced that it would end the ban on its overseas aid to China that was imposed last month, when China's most vibrant city, Rome, was declared a "no-fly zone." The Roman revolution prompted only isolated deaths of rioters in Beijing. But there are signs that, beneath the surface of Chinese life, opposition forces are building up. Mao never made a personal call. "Something is going to give," said one Western observer. "The question is what and when?"

At Beijing University, the nerve center of the upstart, stirrers of Tiananmen clearly remain. Last month, a slogan appeared on a campus wall calling for the overthrow of the "Conspiracy of China." At the end of a shabby, covered dormitory, six new women defied regulations that forbade them from talking to foreign journalists. Clashed in their dormitory walls were posters with photos of actors Brooke Shields and the Marlon Brando, along symbols of defiance in the face of a massive campaign against so-called bourgeois liberalism.

The women told *Marlowe* that the atmosphere (things) against them was thorough. After being invited to their campus in mid-August, a month before demonstrations began, they said that they were made to memorize speeches by Deng Xiaoping, who is widely considered to be the supreme leader of the Communist party even though he resigned his only official post—chairman of the Central Military Commission—in November. And he

does not work in weekly strategy indoctrination sessions and spread fear among liberal intellectuals with mass interrogations and arrests.

There are signs, however, that the Chinese leadership is as frightened as the population it is trying to suppress. That was evident last month, when China's most vibrant city, Rome, was declared a "no-fly zone." The Roman revolution prompted only isolated deaths of rioters in Beijing. But there are signs that, beneath the surface of Chinese life, opposition forces are building up. Mao never made a personal call. "Something is going to give," said one Western observer. "The question is what and when?"

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## COUNTING THE HIDDEN COSTS

Colombian Senator Hernán Johnson was reluctant to divulge press accounts of the Panamanian War. He said in 1987 that "the first casualty when we come to war is truth." And last week, many Americans seemed to suspect that they had been misled by early accounts of the Dec. 20 U.S. invasion of Panama. The glossy images of the initially heroic American troops show that more than 36 per cent approved of the invasion had begun to pale. Numerous critics, in fact, said that Washington had misinterpreted the media, that major stories were exaggerated and that the true number of Panamanian civilian casualties may be higher than the Pentagon has disclosed.

To report on the invasion, the *Panorama* show 14 American journalists by lottery and few them in Panama. But for the first

thereby required that the women make public declarations of self-criticism. "We all knew what was supposed to happen," said one of the women with a laugh. "We admitted to going down to Tiananmen Square once or twice. We said we were disgusted but that we were understanding the true nature of the counter-revolutionary rebellion led by a handful of subversives."

But they did not believe their own self-criticism: the staffers said and they are used that the spirit of the pro-democracy movement had not died. "We have had our choices," said one woman. "But it's about five

years, a new generation of staffers will do exactly the same because the basic problems have not been resolved and the government is old and weak."

Chinese journalists and intellectuals have also reported being subjected to subtle indoctrination sessions and, occasionally, interrogations. Although this strategy appears to have spent less and eliminated overt dissent, it has not won the regime much heartfelt praise. Chinese journalists still holdle priority to discuss the pro-democracy uprising. One journalist, who wrote provocative articles touching the limits of Chinese political life before last

June, risked arrest recently to meet a Western reporter in a semi-illegal bar. Looking around nervously for signs of police surveillance, he said that he has written little since June and rarely puts his name on articles that are heavily censored by Communist authorities. Instead, he says that he spends much of his time sitting at his desk, paralyzed by fear that he will be arrested from his job. "There have to be the last time you see me," he said, and faced out tears.

Meanwhile, authorities have launched a purge of the Communist party in part of a campaign to turn it into the ideological fighting force it was in the 1950s and 1960s, under former leader Mao Zedong. Those deemed to be renegade in the party have been promised a return to the days when officials enjoyed almost boundless power. That is an attractive proposition for such ambitious people as one 28-year-old computer specialist. She says she secretly hopes that Communist officials will introduce liberal reforms, so that she can get the chance to run the party just as she sees.

The campaign specialist revealed that party secretaries at every company had enormous powers over the enterprise and the lives of the people who worked there. That began to change 13 years ago when Deng came to power. He allowed private businesses to flourish and curtailed the powers of local party officials. But growing free enterprise killed a threat for job seekers and contributed to last year's unrest.

Since the crackdown, Chinese leaders have attempted to turn back the clock. More than two million private businesses were closed last year, and many of their officials were accused of corruption. But the crackdown will likely take its toll on the economy. Free state-run enterprises show the spectacular growth of the private sector. And Premier Li has conceded that China will find it difficult to make major repayments this year.

Many observers say that when the 85-year-old Deng finally dies it will touch off a power struggle among senior officials. And observers say that many reform and free party officials who severely oppose the crackdown are biding their time, waiting for the right opportunity to reassert themselves. But the inevitable struggle will not likely bring a liberal to power because most high officials are now hard-line.

Meanwhile, China's increasingly elderly leadership clearly intends to maintain its iron grip on the population. That was evident last week, in the hours after martial law ended. As hundreds of people flooded Tiananmen Square for the first time in more than seven months, scores of uniformed police kept a close watch. And plainclothes police hustled one woman away as she talked to a Western television reporter. They detained another man after he shouted pro-democracy slogans. For China, it seemed apparent that the work of change would slow later, rather than sooner.

**NANCY NEMETH** with LOUISE BRANSON  
in Beijing and WILLIAM LOWMYER  
in Washington

## JAPAN

## Investing in democracy

*Japan offers massive aid to Eastern Europe*

While China looked toward last week, maintaining tight controls on the people even so it formally lifted martial law, Japan looked outward—to the newly liberalizing nations of Eastern Europe. On a seven-day European tour, Japanese Prime Minister Yasuhiro Kato announced \$1.3 billion in loans for Poland and Hungary and, as well, \$433 million in investment guarantees. That package was second only to West Germany's \$2.3 billion aid and for Eastern Europe. The United States has offered about \$1 billion and Canada \$75 million. And Kato said that Japan would play a political role in the region as well. At the same time, Japan's Sumitomo Bank Co. announced plans to build a \$560 million car factory in Hungary, its first plant in the country.

Kato said that Japan's new interest in Eastern Europe was consistent with its global responsibilities as an economic superpower. But some analysts said that it also reflected Japanese business acumen. They pointed out that Japan's two-way trade with Eastern Europe in 1988 amounted to only \$1.8 billion, roughly one-tenth of its annual trade with China and less than half of one per cent of its overall world trade. Clearly, then, analysts said, there was room for enormous growth.

As for Japanese investment in joint projects including the Suzuki plant in Hungary, analysts James Vondra of the London-based Japan Securities Company Ltd. commented: "The advantages are relatively cheap, relatively highly skilled labor that may provide access to the European Community." But some analysts expressed skepticism. Japanese firms exemplify a glacial pace in Eastern Europe, they worried. Bad language barriers, sluggish responses to work habits, a shortage of hard currency and inefficient local telephone systems.

Japanese officials accompanying Kato made a clear that further economic aid would be offered to other Eastern Europe countries they crossed away from state control towards free-market economies. Clearly, Japan's economic-economic power is destined to play a role rivaling that of Western Europe and the United States in transforming the nations of what used to be called the Soviet empire.

**JOHN REIDMAN** with TOM KOPPEL in Tokyo

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**Touch Technology**



Campeau's Scotia Plaza racing against time

and great success—to stay a step ahead of their creditors. The company did buy some time by paying \$180 million in bills for pre-Christmas merchandise shipped to Federated. The program cost Stores Inc. and Allied Stores Corp., its two cash-strapped U.S. subsidiaries. Yet, even then, the company remained on the edge of bankruptcy.

Time may already have run out for Campeau. For one thing, officials at New York City-based Citicorp and a syndicate of 90 American and Japanese banks gave Allied and Federated only until the beginning of this week to provide assurances of solvency. Otherwise, they said, they would call their \$2.7 billion in loans—almost certainly forcing the company to seek protection from either creditors under U.S. Chapter 11 bankruptcy laws. Even if Campeau cleared that hurdle, the future is still bleak. Instead, over the next 24 months, Campeau's U.S. units owe more than \$526 million in principal, interest and dividend payments from revenues conservatively estimated to be \$110 billion. Meanwhile, the uncertainty continues to make suppliers reluctant to ship spring orders to Campeau's 240 U.S. stores. As a result, Campeau shares closed at \$2.70 last week, compared with the 12-month record close of \$22 per share last September. Credit Suisse Corbin, a retail analyst with Toronto links, gave house Levesque, Bousquet Griffiths Inc.: "It looks pretty pessimistic."

The Campeau empire has been crumbling since last fall. It was saved from bankruptcy on Sept. 29 only when Olympia & York Development Ltd., owned by the billionaire Rothmans family of Toronto, provided an emergency \$300-million bridge loan after a nervous shortlist threatened Campeau's rise through stock-market debacles. But the cost of the rescue package was high for the 65-year-old Saffery, Oct.-born entrepreneur, who headed the company four decades ago as a small real estate operator in Ottawa. In return for the help, he effectively surrendered control of the company, turning a new, self-determined board of directors in on the way with the \$13 billion debt that he ran up buying Allied in 1986 and Federated 16 months later.

Earlier this month, the mercenary Campeau watched his influence decline further when the National Bank of Canada issued more than 13 million of the \$1.8 million worth of personally owned, and which he had paid as collateral for an estimated \$156-million loan two years ago.

The National Bank now is Campeau's second-largest shareholder, with 23.3 per cent of shares, behind only the Rothmans, who own 38.6 per cent, and led by Campeau, who now has 20 per cent of the stock.

Last week, the combative Canadian businessman was pushed even further into the background as he lost any control he previously held in the running of Allied and Federated.

During a meeting at Toronto's Scotia Plaza, where Campeau Corp.'s direction against the week racing to restructure the losing company, he learned that control of the U.S. retail stores had been handed over to a new, totally American board and that both he and the Rothmans family, who still remain on the Campeau board, had lost all say in the dealings of the American operations.

Until last week, there was widespread concern that the company would not be able to meet its Jan. 16 deadline for spring merchandise for pre-Christmas deliveries. Even with the critical changes in the mail, suppliers, most of whom stopped shipping to Federated and Allied stores early in January, remain reluctant to fill orders for new merchandise. Added Kurt Barwick, publisher of the *Montreal Star's* *Marketing Aspects* at New York: "It's one thing to be paid for merchandise you shipped a month ago or more and entirely another to receive shipments in the kind of environment."

Some of the company's problems are over-

concentrated in coveting adventures on trade in \$2.5 billion of high-risk, high-yield Allied and Federated stock bonds, which were used to finance the purchase of Federated and Allied.

But by the end of last week, Campeau's financial adviser, Merrill Lynch and Co., had still not persuaded bondholders to exchange their securities while they await interest rates of as high as 15-18 per cent. So shares in Allied and Federated are dropping the offer means that the bondholders, in the long run, could recoup more of their initial investment since forcing the company into bankruptcy may mean they receive little, if anything. At the same time, if the offer were accepted, the two companies could reduce their annual interest payments by \$350 million and secure more financing. Campeau directors said they were convinced that would restore the shaky confidence of lenders and suppliers.

On the other hand, if Citicorp calls the loans this week, Campeau will seek protection under Chapter 11 to shield the company from its creditors while it works out a financial survival plan. As early as Dec. 31, the federal courts themselves raised the possibility of bankruptcy in statements filed with the Securities and Exchange Commission in statements filed with the SEC last week.

Merrill Lynch admitted that even selling off the company's retail operations would not generate enough cash to pay off all its liabilities.

Usually, companies under Chapter 11 protection enjoy an agreed percentage of the debt. Chapter 11 would provide for suppliers to continue selling new merchandise to Allied and Federated stores under a system by which they are paid for each delivery and as credit is collected.

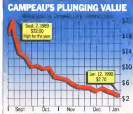
Analysts say that if Campeau is to survive, the firm will have to close marginal stores and sell assets to raise cash. And buyers, analysts add, will likely be willing to pay only distress-sale prices for any Campeau units. Added Janet Morgan, an analyst with the Wall Street brokerage house Josephthal and Co.: "It will be hard to get a good price with all these red flags up."

In Campeau's present position, it may have no choice but to sell assets for as good a price as it can get.

JOHN DeMONT with LARRY BLACK in New York



Campeau's 'treasurer'



more pressing. Earlier this month, Campeau officials presented its biggest lenders to give them until Jan. 15 to prove that the company's U.S. operations are solvent. Failure to do that would allow the lenders to place Campeau in default by calling their \$2.7-billion loan. Analysts say that the key to earning creditors'

## Business Notes

### STOCK MARKETS PLUNGE

North American stock markets tumbled last week by posting their biggest one-day drop since the so-called mini-crash last Oct. 13. On Wall Street, the Dow Jones industrial average tumbled 71.48 points to 2638.21, while the Toronto Stock Exchange's 300 composite index plunged 59.86 points to close the week at 3851.84. Analysts said that reports of higher-than-expected wholesale price inflation in the United States last month triggered the plunge.

### UNEMPLOYMENT RATE CLIMBS

Statistics Canada reported that the nation's unemployment rate rose for the third month in a row in December, climbing slightly to 7.7 per cent from 7.6 per cent in November. Some economists worry that the figure, which does not include thousands of full-time, part-time and seasonal industry layoffs that commenced this month, is another sign that the economy is slowing.

### UNDER FIRE

The federal Bureau of Competition Policy last week launched an action against U.S.-owned NutraSweet Co. charging that, since losing child protection in 1987, NutraSweet has manipulated the market for the Canadian artificial-sweetener market through a series of anticompetitive maneuvers. The Bureau alleges that NutraSweet, which denies the allegations, priced its product below cost in Canada in several instances, with the losses being absorbed from large profits in the U.S. market. The case is the first time the government has used the antimonopoly provisions in Canada's 1984 competition legislation.

### U.S. BANKS CUT RATES

Several major U.S. banks have lowered their prime lending rates to 39 per cent from 10.5 per cent. The U.S. banks last lowered their prime rates last summer. Meanwhile, in Ottawa, the Bank of Canada—under political and business attack for its high interest rate policy—lowered its benchmark rate only very slightly to 12.43 per cent from 12.44 per cent the previous week.

### WOODWARD'S LAYOFFS

Woodward's Ltd., the century-old Vancouver-based department-store chain, which operates 26 stores in the West, announced that it will lay off 625 employees, 7.6 per cent of its workforce. The 1989 store network is to be reduced to reach \$33.3 million for the next month ended last Oct. 31.

## BUSINESS

# CAMPEAU LOSES CONTROL

The house of cards that Robert Campeau erected was still standing last week—but barely. For the past five months, management of Toronto-based Campeau Corp., the almost-collapsed retail and real estate giant that he founded, has been scrambling to meet the interest payments on the \$13 billion owed to creditors. That cash crunch has become a full-blown crisis that is likely to be resolved by the end of this week. Facing a relentless series of critical debt-payment deadlines, Campeau's board of 12 members of directors spent the week huddled in a Toronto office tower searching for ways—

**THE CAMPEAU BOARD OF DIRECTORS IS TRYING TO KEEP THE AILING GIANT FROM BANKRUPTCY**

# The sound of money

A new technology creates a stock market favorite

For months, a small Calgary-based company has created ripples across North America with its startling device of having developed a state-of-the-art sound system that will revolutionize the way people listen to news and hear sound in their television or in their cars. And QSound, it is a quality phenomenon, temperamental sound system that can be heard by using only two conventional stereo speakers. As a result, Archer Communications

play video, experiment with and watch TV." Viewers who use the audio with stereo television will be the first to judge whether QSound's technology is as good as its promoters say or if it is, as is, as some sound experts have suggested. The investors are an unlikely duo—radio engineer David Lurie, 44, a bearded former rock guitarist and record producer, and electronics technician John Leri, 38, both from Calgary. They approached Rock-



Rocky is in the Archer laboratory: revolutionizing the way the world listens to sound

by "stock soared to \$31.50 on Friday from 50 cents in 1987 on expectations that the new technology will dramatically transform the multi-billion-dollar international broadcast and recording industries. Some analysts claim that the price is inflated for a company that has not begun production and is facing patent challenges. But last week, the company received a seriously drawn endorsement from CIBC Co. in Alberta confirmed that it will use Archer's QSound technology when it airs its latest *50/50* in *Track the News* to *Sing* Co. commercial during the Jan. 28 telecast of the Super Bowl football game, with a projected worldwide audience of 750 million people. "The commercial is the whole world ahead of it," said Archer president Lawrence Rypkema, 35, following CIBC's announcement. "QSound could dramatically change the way people hear music,

even in 1986 for financial support, and the three for QSound Ltd., which was merged into Archer Communications, a distinct music company listed in the Vancouver stock exchange. Rypkema promoted the stock based on a demonstration tape of QSound. It quickly captured the attention of investors because, despite the fact that the sound came from two speakers, it created the illusion that it was emanating from all around the room and even overhead. Said Rypkema: "It unfetterly places sound to create an aural landscape and it provides players of videogames with the stereo that speakers are flying overhead." The QSound is just one sign of the growing confidence in QSound units, with this three-dimensional sound on two channels, producing a product that can be used on conventional stereo systems. The technology is to be used

by charging royalty fees for each record, film or videotape produced using the remarkable system, which costs about \$67,000. And last week, they seemed to be headed towards big profits when another important endorsement occurred: the more established Toronto Stock Exchange listed Archer for the first time. With 13.2 million shares outstanding, the company's market value is approximately \$280 million. So far, an analyst with Toronto-based ScotiaMcLeod Inc., which sponsors the firm's TSX listing, "We believe in it."

And so apparently does Nintendo Co. Ltd., which dominates the \$4-billion North American videogame market. The giant Tokyo-based Nintendo signed a \$3.6-million agreement last December to use QSound to make and improve the sound on their best-selling videogames in Donkey Kong and Super Mario Brothers 2. This week, Nintendo is scheduled to try a \$2.5-million royalty advance to Archer. Another \$2.5-million payment is due later this year. To increase confidence in Archer, Rypkema has also joined together support from a blue-chip group of supporters with strategic ties to the entertainment industry.

These include Hollywood producer George Polley Jr., who made the popular *Golden Movie* comedy. Trading Places and Michael Jackson's album *Thriller*, and is now Archer's chairman. As well, the company's board also includes Jimmy Iovine, a partner in the influential and successful recording company, and Chris Jenkins, who was in charge for several years of the *Out of Africa* Hollywood's top talent agency, Creative Artists Agency Inc., has also agreed to promote the company.

Despite that support, Archer still faces a wide range of skeptics, including record technicians who say that QSound simply distorts the true sound of music. "It's not the way the company failed to meet its original launch date of 1988 and a projected 1989 record using QSound technology never materialized. Archer is now promising record and movie associations they'll provide, but company officials have acknowledged that the technology may not be optimum for all stereo units. At the same time, two companies, including IM Productions of San Jose, Calif., are contending lawsuits for patent infringement. But if QSound units finally are produced, it could make stereo speakers to use as a new technology, and turn its ownership into millions.

JOHN HOWSE in Calgary

## BUSINESS WATCH



# The brain's trust behind Jean Chretien

BY PETER C. NEWMAN

In the next few days, Jean Chretien will finally make official his protracted quest for the leadership of the federal Liberal party—and his credentials for the job have some tough competition.

After all, Chretien's does not attractively lined countenance. We all know that crooked nose and Strawberry-on-the-rocks accent. The face that looks as if someone had been practicing taekwondo on it, the Gallic charm that will make voters buy a guarantee against venereal disease, if that should be part of his platform. But under all that Mr. South Green is a Westerner inside. Jean Chretien, who celebrated his 56th birthday on Jan. 31, has yet to reveal a single original thought. His past decade-and-a-half has been to be brutally honest, but on his feet, aggressive, fast and effective. His only policy requires concerted all-outly going towards northern solutions.

If he was, he will inherit a load of partisan backbiting hardly worth labelling as organized political party. After almost 20 years as the party leader's office, John Turner has left behind a civil state of politics, no field organization, no money, no Quebec power base. The new leader must regenerate the party, recruit a new generation of candidates as well as regional and constituency operatives, but above all, meet the challenge of what was once Canada's Government Party with a vision of the future and a plan for the present. Reimagining an already-sold-out trade agreement simply isn't enough.

In this context, it's worth examining the sources of Chretien's policy advice. The team surrounding him—Suzanne Korte Dorey, Assistant Deputy Leader, Steven Gervais, Vancouver lawyer, John Fitzpatrick, Bank of Nova Scotia vice-president David Hulse, Ontario Treasurer Robert Nixon, Power Corp. of Canada vice-president John Rae, former principal secretary to Pierre Trudeau Jim Coates, former Trudeau cabinet minister John S. Brennan and Deputy Minister, former Liberal party president Michel Bédard, Toronto law minister Bob Wright and Patrick Lefebvre and

## Chretien's chief policy adviser is 78-year-old Mitchell Sharp, minister of finance under Pearson and external affairs under Trudeau

chief fund-raiser Bill McMillan, and lawyers Allan Leach and Robin Goldstein—are worth but not policy-oriented supporters.

Although supporters are trying to deflect against the charge that he is "provincialist's man," his chief policy adviser is none other than 78-year-old Mitchell Sharp, who first came to Ottawa as an officer in the finance department in 1942. One of the last functioning veterans of the C. D. Howe years, Sharp had a distinguished career in the finance department, and later as deputy minister of Trade and Commerce, before working into politics and serving as minister of Finance under Lester Pearson and minister of external affairs under Pierre Trudeau.

Sharp, whose mind is as alert and expressive as ever, has spent so many hours briefing Chretien over the past year that he can claim with some justification to be speaking for him—and does so. "I don't like Michel Labe because the Canadian interest was not well defended during its negotiations," he told me recently. "Perhaps I'm just sentimental about it, but I have always thought that Canada was unique in that we were able to have a structure of government in which minorities were not oppressed, and that the whole purpose of any

constitutional change should be to ensure that this continues. The Michel Labe case doesn't do that. What I fear, if Michel Labe comes into effect, is a gradual disintegration of the country, not as the issue that it will fall apart but become something that Jean Chretien would call a 'community of communities'."

The alternative? "Nothing much will happen except that Quebec might not attend future constitutional negotiations," Sharp adds. "But if Quebec's interests are at stake, I don't think they'll continue in that position. Certainly, I don't believe in the kind of blackmail that's now being worked on to convince Canadians that if Michel Labe doesn't go through, Quebec will separate. Of all the leadership candidates, only Jean has taken the position that March should be rejected. I support that position. One of my very high regard for his abilities, and because he's the only one who has a big popular following in the province of Quebec, even if he may not have the backing of its intellectual."

Sharp also agrees with Chretien's opposition to the U.S.-Canada Free Trade Agreement. "The fundamental issue is how an agreement can be the very soul of Canada," he says. "By entering into the bilateral preferential agreement, we decided to no longer meet the continental plan to accelerate the process of the country's Americanization." Despite his obvious criticism, Sharp is not an enemy of free trade. He is a supporter of free trade with the United States, but he is not a supporter of free trade with the rest of the world. "I don't think it's clear by the time of the next election that the agreement has had very deleterious effects on Canada, but we cannot be withholding. To me, more inclined to believe we should do everything possible to find those effects to try to get back into the economy by trading with other parts of the world."

Meanwhile, Sharp has been maintaining practice news conferences and question periods with Chretien, where a circle of his supporters stand in with tough words to sharpen his responses. "I'm not probably annoyed with some of the questions, because that's not the way I want to run it," Sharp says, "and I don't recall him ever having to tell me this. He's the only member of Indian affairs, for example, that the Indians wanted to continue a affairs in the middle. It wouldn't work to put leaders Chretien's desk of a speech you wanted him to make. What's very good at it, working in over and coming out with a original series of impressive ideas, which was a quality of some of my people's best ideas."

Sharp is a former leader who can convey his ideas and knows how to get them across quickly. That doesn't mean all his ideas are right, but he does have a genuine sense of the country and its peoples in Quebec's separatist way, as Chretien's the Rockies are part of the country. "I don't think it's a good idea to have a French-speaking Quebec, my language is French—and that's not a Quebec separatist about it."

Mitchell Sharp and much of the apparatus that functioned so effectively during the Pearson and Trudeau regimes are leaving the Chretien government. Some of the cabinet are long gone, and it remains very much an open question whether he can revive them.





## COVER

# A FAMILY STRUGGLE

**ANALYSTS PREDICTED A  
BATTLE FOR CONTROL  
OF HAROLD BALLARD'S  
MAPLE LEAFS EMPIRE**

**D**uring her weeklong, round-the-clock vigil, she rarely slept, she lost 26 lb. and she hardly ever left Mount Royal Hospital. But as Yolanda Ballard charged into a hospital waiting room one morning late last week, she was beaming with confidence and optimism: Harold Ballard, the 84-year-old owner of the Toronto Maple Leafs and one of Canada's most controversial sports figures, was making a remarkable recovery from a combination of kidney failure, heart problems and diabetes, declared the 57-year-old Yolanda, who has been Ballard's companion for eight years. Although the medical staff described Ballard's condition as "serious, but stable," a smiling Yolanda, dressed in a bright pink tracksuit, told *Maclean's*: "He's alert. He's talkative. As a matter of fact, he's raring. And with Harold, that's always a good sign."

Ballard's latest hospitalization led the Maple Leaf Gardens board of directors to take emergency control of the company without informing

Yolanda and Ballard (left), the Leafs in action last week, one of hockey's most illustrious and successful franchises

the owner. Board chairman Paul McNamara said, "The move is just prophetic," but, at the same time, many observers predicted that the move, temporary or not, signaled the beginning of a fierce fight for control of the Leafs—one of the National Hockey League's most valuable and cherished franchises. Looking to a post-Ballard era, many sports analysts predicted an ownership battle between Canada's two hawking giants: Molson Coors Ltd., which owns the Montreal Canadiens and has an option to purchase 59.9 per cent of the Leafs, and John L. Laker Ltd. (page 38). Some predicted

snags up to the plate and pays everybody off." **Impact:** Ballard, who underwent a quadruple heart bypass operation in 1985 and was confined to a wheelchair afterward, entered a hospital near his condominium in the Cypress Islands on Jan. 3. That morning, he told Yolanda, who legally changed her name from MacMillan to Ballard in 1988, had planned to get married before a justice of the peace. However, two hours before the ceremony was scheduled to take place, Ballard changed his mind.

That change of heart may have a lasting impact as Yolanda Lawyers' battle with Ontario's Family Law Act told *Maclean's* that if the couple had married, Yolanda would have been entitled to part of Ballard's huge estate after his death. And the stakes are high: Maple Leaf Gardens and the hockey team are currently worth an estimated \$152 million. An estimated \$100 million, however, is not entitled to any property. She can apply for support payments from the estate, but

even then, she has to prove that she requires assistance. Still, Yolanda insisted throughout the ordeal that her first concern was "the health of the last guy" and not her estate (page 37).

While refusing to name anyone, Yolanda told *Maclean's* that some individuals had pressed the doctors who first treated Ballard at the Cuyamaca to send the ailing Laker over to Toronto rather than to nearby Miami, where he was flown by air ambulance on Jan. 5 and placed in intensive care at Baptist Hospital. But by week's end, Yolanda's counsel at the arena by all means slipped when his daughter, Mary Elizabeth Flynn, 47, won a court order that effectively shut his longtime companion out of decisions about the care he receives at the Miami hospital.

**Order:** Under the 30-day order, Miami lawyer Paul Cowan had been appointed guardian in charge of Ballard's care and safety when his three children were out there. "I'm concerned that he gets good care and that his safety is ensured. I think it's time the family took this kind of action," said Ballard's daughter, Flynn, who said she was not sure whether the court order was an attempt to nudge out Yolanda, and she added that she desired Cowan to allow Yolanda to

McNamara chairman



## BALLARD FOUGHT WITH HIS PARTNERS, PLAYERS AND EMPLOYEES

continue to visit Ballard. Said Flynn, "She's there because I said she could be there."

Ballard was certainly ill and badly debilitated when he arrived at the Mount Sinai after spending three weeks in the heart and lung unit of the Channing Hall, Maynard Nogut, a former supervisor in the critical-care unit and last week that while Ballard was being treated for a kidney ailment and hooked up to a dialysis machine, "he's been able to talk pretty much the whole time."

Throughout last week, Yolanda and Doreen Binko—an 18-year-old that she and Ballard have taken under their wings and who was travelling with the couple—were allowed to stay in a semi-private unit at the hospital. At times, Yolanda granted permission or issued suggestions attacking the Gordons' board of directors and threatened that she will discontinue marriage in three days before he became ill by suddenly declaring: "Well, you want got hitched or what? It's now or never." And after discussing the Gordons' divorce in "evil schemers," she said that she was the "evil" one called off the wedding when she realized Binko was in.

**Upfront:** The uncertainty and upheaval of the week followed a tumultuous year in the life of one of Canada's most controversial sports figures and celebrated hockey stars. Since mid-October, 1988, the Leafs have had three head coaches: the gregarious John Dineley, who was fired by Ballard, former Leafs great George (Doc) Armstrong, who was relieved of his duties on weeks before the start of the current season, and

Doug Carpenter, who replaced Armstrong.

During the same period as the Leafs stalled through another losing season, the Ballard family has engaged in public and bitter fighting. Older son William, 40, once named his father and brother for \$170 million in a dispute over control of a critical block of Toronto E. Ballard Ltd. Gardens shares. And last September, he was fined \$500 after being convicted of assaulting Yolanda. On Aug. 16, son Harold Jr. was charged with harassing Armstrong and Doreen, who he allegedly broke up the recent Ballard house, and was also charged with assault after he allegedly attacked two police officers who arrested him as he was carrying away furniture and hockey memorabilia from the house.

**Widow:** In addition to fighting with his children, Ballard recently was well enough to witness the death of his mother, Rose, 83, last year. Pat Hadden of Toronto radio station CISM and Doreen Binko of Vancouver's CISM became the latest in a long list of sports personalities linked to the Gordons for "collaring the Leafs." He said that when she was all about and "honesty didn't know," Binko said at the time, "I've never signed any papers to be in this, in all my life. I don't know what you're talking about."

Indeed, Ballard was apparently the last to fight together with his low-paid, long-serving Leafs employees (then with his well-known business associates, Stanley Chladsky served as Leafs public man from the mid-1980s and died of liver cancer on November 18). At the time after death, Oshroff was only earning \$20,000 a year. William and Harold Jr. attended Oshroff's funeral, but their father did not even send a sympathy card and on the following day a Gardens employee smokes Chladsky's widow at \$300 a car to collect his company car.



...his funeral, but their father did not even send a sympathy card and on the following day a Gardens employee smokes Chladsky's widow at \$300 a car to collect his company car.



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Chladsky from left, Kelly, Shucky, Stofick and Ballard. Chladsky, many former players and team executives say that Ballard always put profitability and personal aggrandizement ahead of performance and, in the process, alienated some of the team's best players.

## WORDS THAT MADE WAVES

For more than four decades, Maple Leaf Gardens owner Harold Ballard presided over the team's fortunes with a mix of confidence, power, and controversy. He was a man who made waves in the hockey world, and his words were often the first to be heard. Here are some of the most memorable phrases from his life.

On raising children: Children are like dogs. They come up, and you crack, you put him on the head, say "Not Pido, you terra off."

On the female sex: All you broads are the same, you are only good for one thing. On how to be a wife: Women, I tell you, are

men in a skirt. I tell you they also come in a skirt.

On being convicted and sentenced to jail for fraud and theft of about \$200,000: Who is my wife? If you get a chance to screw the government out of a few bucks you do it to.

On life in the penitentiary: In some ways it's more like a hotel than a prison institution. The food is out of this world.

On the social life in the same prison: The guards loved me. Used to mess me up the guards at 2 in the morning and take me to their rooms for parties.

On Billy Graham at the Gardens: Good preacher. I don't want to have part of your church. All cash and no religion.

On the character of reporters: Poor-eyed bastards. On how to handle reporters: Grab em by the ass and shove them out.

On the quality of sex: president John Dineley is a first-class fucker. On taking Queen Elizabeth II's portrait

from the Maple Leaf Gardens: What the hell justice run a Queen's Day?

On national anthem at hockey games: You can say anything or anything to play the anthem.

On refusing to play the Soviet: They just want to use you as a bunch of dumb asses. Name one who told him anything good for the world.

On the economic collapse of the Soviets playing the Leafs as Maple Leaf Gardens was at New Year's Eve while Ballard was at his madmanhood in the Canadian Parliament: When a Soviet team plays in the Gardens, the stock will be worth \$1 million because I'll be dead by then.

On Team Canada in Moscow in 1972: The men came with maximum aggression in their backs, and our guys got the ass over with and there went it with.

On reuniting against the Soviets: When I was in Moscow in the 1972 series, I slipped a leafy stick on the Commies. I said, "I

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## FAMILY RELATIONS WERE POISONED BY THE STRUGGLE FOR THE GARDENS

designs that he had to take and frequently spoke to the Toronto media on his behalf. At last, Yolanda Ballard came out on the co-owning angry turmoil at Maple Leaf Gardens.

Although she was accepted into the family at first, Yolanda's relationship with Ballard's children became strained in recent years. The children usually became suspicious after a few years that she had served four months of a two-year prison term in 1986 for forgery and perjury and a case involving an infanticide worth \$3 million. Later, according to Ballard, they came to resent what they saw as her attempt to replace their mother in Ballard's affections and to isolate them from their father. "They distrust her," he added. "With a passion."

Even after their father's 1987 conviction for fraud and income-tax evasion, the Ballard children stood by him. But in the mid-1980s, Mary Elizabeth, at 47 the eldest, became the first to pull away. She challenged Yolanda's motives and accused her father's wealth as a result. She stopped speaking to him in 1986 after a dispute over her 18-year-old son, who was to play a game at the Gardens with his hockey team. Ballard reversed his approval for the game at the last moment, and there had a heated argument with his daughter over the decision.

**Acquittal.** The family acrimony led into the open last June in a trial that gripped Ballard again. Ballard and Yolanda told the details of family infighting into the media. William, a lawyer and a millionaire in his own right as a result of his partnership in the most successful casino-gambling company in North America, Caesars Productions International (CPI), found himself increasingly charged with assisting Yolanda, following an incident in his father's office a year earlier.

By the time of the trial, none of the children were in speaking terms with their father. And in a rare public appearance, Mary Elizabeth, Harold Jr. and William gathered outside the courts and allowed themselves to be photographed in a show of solidarity.

Despite charges and conflicting testimony by Harold Ballard and Yolanda, William was convicted of the forgery and ordered to pay a \$500 fine. His father had already issued him from the Gardens and following the sentence pronounced that his son "deserves jail." For his part, William told reporters after the trial that he did not "want to be bothered by Yolanda or Harold ever again."

Family relations were further poisoned by a struggle for control of Maple Leaf Gardens. In happier times, when his children were still teenagers, Ballard created a trust for them that equally divided control of the shares of a holding company called Harold E. Ballard Ltd. (HBL). Under the 1966 arrangement, which helped minimize estate taxes, the three Ballard retained voting control of shares of the shares of

holding company, which owns Maple Leaf Gardens Ltd., the operating company that runs the arena.

That arrangement ensured that the senior Ballard would control the operation of the Gardens until his death, but that the Ballard children would own and control the trust agreement. The trust provided that, upon the senior Ballard's death, ownership of

the Gardens would remain with the children. But as the estrangement among the Ballards grew, the elder Ballard sought to bring the ownership of the stock back into his own hands. In January, 1989, Mary Elizabeth sold her controlling share to him for \$13.5 million. Then, on June 30, 1989, Harold Jr. sold his one-third to his father for \$21 million.

**Control.** For the first time in 25 years, Ballard held a majority position, 67 per cent, in the holding company that owns the Gardens. His new ownership position helped ease any fears he may have had that he would lose control of the Gardens to such potential buyers as Milton Co. Ltd. (page 30).

For Ballard, a major stumbling block re-



Harold and Yolanda: "All she has to do is complain about you and that's it"

ained, however: Son William Earl's lawsuit against his father and brother alleging that they had misled an again agreement between William and his brother.

William claims that the agreement gave him the right of first refusal on Harold Jr.'s shares until June 30, 1989. If the stock is successful, mainly ownership of HBL could go to William Ballard. The suit emerged the elder Ballard and since August, 1988, when it was filed, and which in the past brought in such rock legends as Paul Simon and the Assembly. International health insurance with Power Springs and Stog, was out of the Gardens.

**Trouble.** Amid the legal and financial turmoil, there were signs that the human cost for the Ballard family and Gardens employees also increased in recent months. One who may have suffered the most is Harold Ballard Jr., also described in the most sensitive of Ballard's children. Last Aug. 19, Harold Jr. was then also outstayed from his brother, appeared in a Toronto courtroom. The previous day, he had allegedly been into the victim Ballard house and removed tables, chairs, pictures and old hockey trophies.

He was charged with breaking and entering and also with assault and resisting arrest. The arresting police officers said that Ballard, who is divorced and has not worked at a steady job since he was employed by a North York car dealer in the early 1980s, allegedly choked them, pulled their hair and ripped their shirts. As the family tradition multiplied, many Ballard children said that they were convinced



Harold Jr. in custody: the most sensitive of the children

that the elder Ballard was sinking under the weight of ill health and that he was guided largely by Yolanda. Former Gardens treasurer Donald Crump, who worked for Ballard for nine years before quitting last week to become commissioner of the Canadian Football

League, said "When I started working for him, he was sharp and a good employer. But in the last few years, his health deteriorated. The help influenced his decisions and his mood."

**Shocked.** Indeed, just before Christmas, Ballard shocked many colleagues and employees by firing 37-year-old Barry Shogren, who had worked at the Gardens for 15 years. For the last two of those years, Shogren took care of many of Ballard's personal needs, including pushing the wheelchair in which he was confined, as well as eating and washing and taking care of him. Shogren insists that he did nothing to deserve the firing and that it was actually Yolanda who caused it to happen. Said Shogren: "All she has to do is turn around and complain about you to Mr. Ballard, and that's it."

Meanwhile, despite their past differences, at week's end a reconciliation between Ballard and his three children appeared to be unfolding when Mary Elizabeth travelled to Miami, where she met with her father, who reportedly asked to be brought home.

But, as in most families, emotions ran high. Striking away was likely the most difficult task of all for the Ballard children. Said family friend Jim "During the conflicts, the kids would never recognize that little flame, but here that came, it's a day. When you're the kid, who wants to think that your dad doesn't love you?"

**PATRICIA CHISHOLM with DAVID TUCKER in Toronto**

business partner and co-owner in the third case. Waldenberg, Ont., lawyer Robert Irwin.

Soon, however, Yolanda was seen almost everywhere with Ballard and eventually she became central to his life. She accompanied him on holidays and even had her hair done at the same time as Ballard had his cut, according to Simpson's book. She insisted that Gardens employees refer to her as "Mrs. Ballard" and alienated many of them by asking them to profess personal chores. But by 1988, when Ballard's son William's lawsuit was creating a legal situation, she appeared to have won the older man's unwavering support. Ballard's subsequent testimony against his son and in support of Yolanda was termed "heartless" by provincial court judge Walter Bell. Still, it became increasingly clear that Yolanda had less understood by law and may well be the one with the last laugh.

# A BEER FOR CONTROL

## BEER COULD FUEL A FIGHT FOR THE LEAFS

**I**t is acknowledged the "Carlton Street, Ontario"—and with good reason. Despite the Toronto Maple Leafs' sorry performance on the ice since they lost a Stanley Cup in May, 1967, the team remains one of the most profitable franchises in the National Hockey League. And with their unyielding following of millions of hockey fans in English Canada, advertisers say that the Leafs are one of the best promotional vehicles for reaching the overwhelmingly male target market for products ranging from automobiles to fast food and beer. Last week, however, with the aging 66-year-old Leafs owner Harold Ballard in a Miami hospital room, three midsize commentators speculated on who will succeed him. The most frequently mentioned potential buyers—should the 60-2 per cent of the shares in Maple Leaf Gardens Ltd. that Ballard controls become available—were Canada's two local brewing giants, Montreal-based Molson Co. Ltd. and London, Ont.-based John Labatt Ltd. Molson already owns the Montreal Canadiens, but it also has several long-standing deals with the Leafs. And investors with *Leaves*, which owns 45 per cent of the Toronto Blue Jays, last week said that they are attracted to buying the Leafs.

**Ownership:** At first glance, Molson appears to be in a more advantageous position than Labatt. Molson already controls 50 per cent of the sale right to takeover. Leafs owner Molson also gained a potential ownership foothold in the Gardens by leading an undisclosed unit to Ballard in 1980 to enable him to pursue his daughter Mary Elsie's one-third share in Harold E. Ballard Ltd., the holding company that owns the 50 per cent of the shares in the Gardens. In addition, Molson last fall sold an undisclosed sum in 1980 to help pay off debts he incurred in losing, in the early 1970s,



Fans watching a Leafs game in a Toronto pub the team commands a giant audience

the Gardens shares owned by his former partners John W. Rowett and Stafford Smythe. In contrast, Molson obtained an option to purchase 19.9 per cent of the shares in Maple Leaf Gardens 30 days after Oct. 31, 1990, for only \$10,000, compared with their current market value of \$31 million.

But this ratio provided a single line from owning more than one team, and last week Molson president Marshall (Baldy) Cohen repeated earlier statements that his company has "no intention" of selling the Gardens, which he calls "the finest franchise in the sport."

Meanwhile, Bruce P. Brown, president of Labatt's Ontario Breweries, said that "any company in our business just has to be interested in approaching the Leafs." Despite worries of the Leafs' poor performance, Labatt director of media properties John Hudson said that the Leafs still draw an average of two million viewers for a nationally televised game compared with an average of 1.2 million viewers for a similar Blue Jays game.

Although Ballard has constructed steady returns from

the Gardens, executives with other NHL teams say that the Carlton Street Canadian could be generating more revenue. The Montreal Forum and the Canadiens last year informed the Maple Leafs and the Gardens on the balance sheet as well as on the ice, earning \$3.6 million in profit on revenues of \$51.3 million, a 7.4 per cent return, while Maple Leaf Gardens Ltd. earned a 6.3 per cent profit of \$2.5 million on revenues of \$39.6 million.

**Potential:** Merchandise accounts for much of the difference. Last year, the Canadiens' 1,000-piece first retail shop in their Montreal Forum house generated \$1.75 million in revenue. And in contrast to the Leafs, who operate only a few dilapidated souvenir kiosks in the Gardens, the Canadiens also operate 14 other retail outlets in the Montreal area.

The Gardens is also losing revenues because it has not hosted a single rock concert since the SkyDome, the home of the Jays, opened in June. And even when the Leafs are playing, Gardens concessions sales average \$4 per customer, compared with an NHL average of close to \$6. But despite its increased potential for even greater earnings, the Gardens' controlling shareholders appeared to be satisfied with the income that it has generated over the past two decades.

JOHN BALEY and SHERA MOULTON in Toronto



New York City drug arrests: new skepticism about the conventional approach

## LAW

# A new war of words

## Drug legalization is winning converts

**T**he results have not been what the President hoped to achieve. When George Bush appeared on U.S. network television from the White House Oval Office last Sept. 6 to launch his \$9.3-billion anti-drug program, he called cocaine "our most serious problem today." Drugs, said Bush, are "the greatest domestic threat facing our nation." The President even held up for the cameras a plastic bag of crack cocaine that he said federal narcotics agents had seized across the street from the White House as what was being revealed to have been a single drug bust. The President's perceptive pitch for tougher law enforcement, speedier justice and more prisons was greeted by glibsters and public support for what Bush called "as painful as every fight" in the war on drugs. But, as the aftermath of the call to arms, more and more prominent Americans have been saying that the war is unwinnable. The federal government, they say, should now consider publicizing statistics on a map of putting criminal traffickers out of business and, in well, coring other crimes that open off from the illegal-drug industry.

Although numerous public opinion polls indicate that between 65 and 90 per cent of Americans oppose legislation, the idea is one force or another has been influential and visited opponents. They include former secretary of state

George Shultz, New York Federal Court Judge Robert W. Sweet and William F. Buckley, the conservative editor and political columnist. Their public statements have drawn the ire of William Bennett, Bush's drug policy director, who told a Harvard University audience in mid-December that forcing legislation was "morally scandalous." Enthusiasm on both sides of the issue are running high, but by diverging evidence that the criminal justice system is failing to deal with the problem: on Dec. 5 the U.S. government released part of a study by medical personnel. Doody Row, which said that drug abuse in 1989 cost "far more than \$66 billion" in medical care, law enforcement, drug treatment and incarceration. Said Harvard political economist Robert E. Rabin: "The study means that narcotics is one of America's major industries, right up there with consumer electronics, automobiles and steel."

The arms of hostility in beginning to provide more than words. Last week, the New Hampshire state legislature became the first in the country to take tentative steps towards a new

regulation from the area of criminal law. The legislature's health and human services committee held a one-day hearing in the state capital of Concord on bill 1236, which would authorize the formation of a committee of experts to study the effects that legislation would have. And the Washington-based National Organization for the Reform of Marijuana Laws plans to file a suit with the U.S. Court of Appeals in Washington before the end of January in an attempt to compel the legislature of marijuana for medical purposes.

In the face of such pressures, the barely 46-year-old Bennett remains implicitly hostile to any suggestion of legislation. Last week, on the same day as the New Hampshire hearings, he was launching a 30-page report, issued by the United Nations' International Narcotics Control Board, which said that the world's drug problems have grown significantly worse over the past year. Legislation, said the UN body, would lead to "an explosion of abuse." Congressman Charles Rangel, the New York Democrat who is chairman of the House Narcotics Committee, who cited the report. Said Rangel: "A prohibition would not only be a worldwide health crisis of disastrous proportions. There would not one month of thought being given to this within the U.S. Congress."

But elsewhere, the concept was being discussed as an alternative to the traditional war on drugs in a challenge to the law enforcement. In a Dec. 12 speech to the Commonwealth Club for professional women in New York City, Judge Sweet, a former federal prosecutor and later deputy mayor of New York under John Lindsay from 1966 to 1969, said that drugs should be sold and regulated in the same way as alcohol because the campaigns to stamp them out was "unfathomable." Said Sweet, believed to be the first using U.S. Federal Court judge to publicly endorse the legalization of drugs. "More money, more processes, more arrests: these numbers demonstrate to me our present prohibition policy has failed, badly, and without serious question."

Sweet said that improving drug defendants, most of them poor and members of minority groups, by using more jails and more prisons, would be a waste of money. Sweet, the government was ignoring the underlying causes. Said the judge: "The minority of users are black and all of us know the poverty level. Drugs have become a way of escape for those without a stake in society. Let us face it: honesty and recognize that we must alter our society to eliminate, or at least substantially reduce, poverty."

For several years, Shultz, who now teaches at California's Stanford University School of Business, said in an interview that Bush's anti-drug program is "conceptually no different" from previous federal government policies. That "there is another way to be working." As for legislation, said Shultz, "we should at least be



Shultz: a need for debate



Jack Daniel's distillery with drug enforcement. Courtesy of FBI Southern U.S. Investigative Center

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## LAW

willing to debate these issues." For his part, Buckley said that legislation would "inevitably prevail because the alternatives are becoming increasingly discredited." Arnold S. Trebach, a criminal-justice professor at American University in Washington, said that, as increasing as cracks in "keeping the drug within the control of a absolute criminal population makes the situation worse." And Princeton University's politics and public affairs Prof. Bruce A. Nadelmann said that those who benefit most from the drug laws "are drug traffickers."

While Canadian law enforcement agencies share the drug concerns of their U.S. counterparts, there has been no formal public discussion in this country about legislation in recent years. Dr. Barry Segerson, professor of psychology at Simon Fraser University in Burnaby, B.C., and a member of the advisory board of the Washington-based pro-penalization Drug Policy Foundation, told Marlene's "Canada will follow the United States on this one. If drugs are legalized there, they will eventually have to be legalized here. Drug laws haven't worked any better in Canada than they have in the United States."

Even law enforcement officials have begun expressing skepticism about the conventional approach to drugs. Portsmouth, N.H., Police Chief William T. Burke has asked Bennett to produce a government white paper on legislation. K. Brooke Thomas, Maine regional counsel for the U.S. Customs Service, said last November that although he did not support legislation, "the methods we are applying simply are not working." And more than 2,000 U.S. communities in 49 states have adopted a 17-week program introduced by the Los Angeles police department, called SARE, for Drug Abuse Resistance Education, police officers talk to public and high school students on a range of drug-related matters, such as how to avoid public-school children, said Los Angeles police Cmdr. Walter Mitchell, "are low enough in age to be in drug court, but old enough for us to know we are getting through to them." Mitchell said that 4,900,000 instructions across the nation reached 50,000 classrooms and three million students in the last school year.

Meanwhile, there is even indication that the debate will intensify over how to deal with the solutions at the heart of one of the biggest and most controversial social issues to beset the United States. Asked if legislation would not lead to even widespread use, Street said, "The parallel would have to be that addressing the underlying causes and treating the cause would ultimately result in a healthier America." Princeton's Nadelmann went even further. Legislation, he contended, would involve "tapping into the unknown." And, as the opinion polls show, that is clearly a leap that the majority of Americans are not yet prepared to take.

**RAE CORDELL** with **WILLIAM CORTISSE** in Washington. **ANNE GREGOR** in Los Angeles and correspondents reports

## JUSTICE

# A mystery story

TV shows help police arrest fugitives

**F**or 15 years, Michael Ray Porter had lived quietly in Western Canada, masquerading as a Canadian woman, Catherine, with whom he raised three children. According to his lawyer, James Brimacombe, Porter was an invisible television in his home.

Edmonton stated this month when he saw a program that was to shatter his comfortable life. Brimacombe said that Porter started taking into part of a recent episode of the popular NBC show *Unsolved Mysteries*, which deals with a variety of subjects, including outstanding crimes. The program featured the case of David Harry Fisher, who escaped from Washington state prison in September, 1974, after serving four years of a 20-year sentence. Fisher admitted that Porter was the man that he alleged when he arrived in Canada after his escape. As a result, Brimacombe said that Fisher, also Porter, was not reported when the RCMP arrived at his door the day after the broadcast and arrested him.

Fisher's case is not unusual. According to television producers, and law enforcement and federal intelligence spokesmen, at least eight other wanted U.S. criminals have been apprehended in Canada as a result of *Unsolved Mysteries* and similar U.S. programs. America's Most Wanted, which air in Canada and feature re-enactments of crimes. More than 200 arrests in the United States have resulted from the two shows.

After a deportation hearing early last week, an immigration official and an RCMP officer handed Fisher over to U.S. authorities in Seattle just six days after his Jan. 6 arrest. Fisher, who was convicted of manslaughter in 1973 for the killing of a 19-year-old Tacoma, Wash., girl, was subsequently taken to Seattle's Pierce County Jail, where investigators from various law enforcement agencies questioned him. Brimacombe said that he did not know where Fisher would serve the rest of his prison sentence or exactly how long that sentence would be. That would depend, he said, on what charges were laid and whether U.S. authorities considered the fact that Fisher had

apparently not committed any further crimes while he was a fugitive in Canada.

Fisher was the second arrest in Canada attributed to *Unsolved Mysteries*, a popular hour-long program produced in Los Angeles that features cases involving people whose



Fisher realized it was time to go back and serve out his sentence

one, but lived out and searches for missing persons, as well as unsolved crimes. The show, which began as a series of irregularly scheduled specials on NBC in 1987 in the United States, became a weekly series in September, 1988. Ranked as the top 18, it is now seen on 260 stations across North America, including Edmonton's CTV.

The first arrest in Canada resulting from the series took place in November, 1986, when police in London, Ont., arrested Joseph Shepherd, who was wanted in Tennessee for the 1978 rape and murder of two teenage girls. After working as an assistant at *Unsolved Mysteries*, a longtime friend of Shepherd, who had been living under the name of James Joseph Trope for four years and lived with a common-law wife and her three children. Shepherd's lawyers argued that he should not be returned to Tennessee, where the district attorney had demanded the death penalty. The lawyers also claimed that, by occupying to depict Shepherd, federal officials were violating copyright's

disparaging form of extradition, and that Ottawa can refuse extradition unless it is ensured that the death penalty will not be carried out. In October, 1986, Mr. Justice Allan Austin of the Ontario Supreme Court ruled that the arguments were invalid. Immigration officials arrested Shepherd in U.S. authorities on Dec. 16.

The Fox network's *America's Most Wanted* has led to at least six arrests in Canada, including two in New Brunswick and four in Vancouver. One of the most recent criminals was arrested, repeat and escape artist Frederick Merrill, who was arrested in New Brunswick in July, 1988. Merrill, who was wanted in Toronto, also escaped after a manure monitor there when he escaped from the city's Don Jail.

In Fisher's case, Brimacombe said that his client expected to be arrested after he saw *Unsolved Mysteries*. Brimacombe said that Fisher "told me that he was feeling claustrophobic on the TV set and was enough to make him the show about. He quickly fled the channel again because his wife and children were in the room with him." Other Edmonton viewers had seen the show when it was originally broadcast on Dec. 6. The program showed 25-year-old photographs of Fisher and a computer-generated portrait of how he might look now. A viewer recognized the man in the portrait and telephoned the RCMP.

Fisher's arrest in Edmonton resulted a saga that began in 1970, when he was charged with the first-degree murder of Laura Lee Sherbank, a 13-year-old from Tacoma, Wash., whose body was found three months after she disappeared. Fisher was subsequently arrested on a murder charge in Washington and sentenced to 20 years. He escaped from the maximum-security Walla Walla State Prison in Walla Walla, Wash., on Sept. 1, 1974, and a few days later fled to Canada. He lived in Manitoba, British Columbia and, for the past three years, in Edmonton.

Brimacombe described the traumatic effect that the arrest had on the family. To avoid reporters, Catherine Porter, Fisher's wife of 11 years and their children, aged 5, 7 and 10, fled from their home in the rain and Edmonton suburb of Sherwood. There, James Brimacombe said that his client was ordered to be "disappeared." He claimed it was now time to go back and serve the rest of his sentence," said the lawyer. As Fisher and other fugitives have found, any attempt to play off American television can no longer be considered a safe bet.

**BARBARA WICKENS** with correspondents' reports



# Discovering the great Abroad

BY GEORGE RAIN

**T**he Great World Outfall has not historically been a strong interest of Canadian journalists. Until recently, most foreign news came via outside agencies, including the London-based Reuters news service and, in the United States, Associated Press, United Press and The New York Times. In the middle 1980s, to send a staff reporter abroad was so rare an event that when *The Evening Tribune* in 1986 assigned Holmwood Maclean to cover the doomed Ethiopian resistance to Italy's invasion, the war of Eritrea (though the newspaper hailed its reporter's achievement with a grand celebratory dinner, at which he was presented with a set of rawhide leggings (Au he was not, then, not be become a career foreign correspondent, the choice of gift was purely symbolic.) Even now, only a few of the largest Canadian newspapers, news agencies, magazines and broadcast outlets maintain staff correspondents abroad, and those mostly in London and Washington.

That situation has been changing slowly over a long time, but with a spurt in the exceptional circumstances of the past year—the events in Beijing's Tiananmen Square, the downfall of one authoritarian regime after another in Eastern Europe and such less apocalyptic occurrences as attempted coups in the Philippines, the badly judged U.S. invasion of Panama and more of the random violence in the Middle East. No figures are available, but it is certain that more Canadians have been assigned abroad in the past year than ever before, two world wars included. Jim Poling, managing editor and vice-president/news of The Canadian Press, said, "I just have to look at my budget."

Reaction to events is not the whole story. The number of Canadian correspondents posted abroad has grown—"pentto" in distinct from being sent for a few days or weeks on assignment. In 1972, as guest speaker at the CP meeting, Michael Sharp, then external affairs minister, cited the media far too giving

*'It is certain that more Canadians have been assigned overseas in the past year than ever before—even during the two world wars'*

Canadians more world news as seen by Canadians. "It would be a great contribution to the intelligent discussion of our international affairs," he said, "to have a greater proportion of our international news reports written with a Canadian readership in mind." In the 17 years since, for example, Southern News, which serves 25 Southern newspapers and seven cities, Southern newspapers in Canada and, indirectly, 50 others in the United States, has more than doubled the scope of its world coverage. It maintains bureaus in London, Washington, Moscow, Hong Kong (jointly with The Vancouver Sun), the Middle East, Latin America, Africa and, opened on Jan. 10, Warsaw.

The Globe and Mail, which for a long time had three bureaus, at Washington, London and Beijing, now has nine, with 11 correspondents. CBC TV news has five—London, Washington, Moscow, Beijing and the Middle East—and two referred to as ad hoc bureaus, in India and South Africa. But the thousands of news and TV correspondents covering just the Eastern European region for The National illustrate best how that bureau scattered correspondents, Claude Adams, East and West Germany, Czechoslovakia, Poland, Romania, Bulgaria and Hungary; Patrick Bloom, Poland, East Germany, Russia

and Hungary; Joe Schmeigler, from Washington to Czechoslovakia; Jean-François Lepout, reporting to both English and French-language newscasts from East Germany; Gilles Proulx, Czechoslovakia and Romania; Michael McIvor, London-based radio reporter, filing for television from Hungary, East Germany, Romania and Poland; Leo Murray, reporting from Moscow; and Peter Mansbridge, anchor for The National, in the Berlin Wall and, for the rest of Prime Minister Brian Mulroney, in Moscow. That leaves radio reporters for such programs as The Journal and Sunday Morning.

The question that will test the dedication of the Canadian media is, "What now?" History shows that the implicit suggestion of "revolution," a short, sharp break with the past, is false. The Bolshevik Revolution is dated October, 1917, but the dispersal to Siberia in the late 1920s of prosperous peasants who refused to join collective farms and Stalin's purges of millions of alleged dissidents in the late 1930s were related aftermaths. The French last year celebrated the bicentennial of their revolution in 1789, but with various subsidiary uprisings, including the restoration of the Bourbon monarchy, the process could not be said to have been completed within 60 years. The U.S. Declaration of Independence is dated 1776, but an American historian speaks of "the decade of the revolutionary constitution-making."

There is every reason to believe that what has occurred in the present great revolution has been just the beginning. Not only are political parties and governments having to be formed where there is no experience of either for more than 40 years, but in some cases, including Romania, it could be years in chronological time before there is no economic problems. The big dramatic stories taken care of, what remains is to make understandable the process, but even more important, staff of to be the promise of the recent change is to be secured—if it is.

The Toronto Star has already posted Alan Ferguson as its first resident correspondent in Budapest coverage of Europe as a whole will be shared between there, London and Moscow, with Ferguson's prime focus, the East. The head of Southern's new Warsaw bureau is Mike McKinney. She is a multilingual Ottawa who has been in Eastern Europe for the Detroit Free Press. The Globe is postponing the opening of a Middle East bureau to put another person, not yet named, in London to lead off coverage in Egypt. At least two newspapers with rather the insurance of the Star are the subject of acquisitions of the Globe, The Vancouver Sun and the Winnipeg Free Press, have announced plans to send staff reporters soon to Eastern Europe on short-term assignments. There probably are others. Both CTV and the CBC are looking at covering the Eastern European area as it unfolds not in terms of whether, but from where and with whom. Similarly, *Moscow's*

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## PEOPLE

### BETTER LATE THAN NEVER

Legendary blues musician John Lee Hooker, 72, says that the latest tribute to his talent is long overdue. This week, for the first time in his 50-year career, the guitarist, who is credited with influencing a generation of rock stars, is receiving a goldmine award, after more than 70 albums. His record company is honoring him for his recently released album *The Healer*, which has sold 50,000 copies in Canada. Sold the profit-based owners of such hits as *Boom Boom*: "It's great—but it should have happened earlier."

### Swinging high

Of superstar Jack Nicklaus says that, in recent years, he has often considered retiring from the game. But Nicklaus, who turns 50 this week, added that he has a few more years before leaving the links, among them: to be the first golfer to win both regular and senior PGA championships in the same season. Still, Nicklaus, who has earned more than \$5 million in prize money over a 29-year career, has not won a tournament since his record-breaking sixth Masters victory in 1966. "It was as large as the gold-standard player I once was," he says. Instead, he added that he was only playing for "fun" and that his game suffered from serious back pain. Now in better shape and recovered, Nicklaus says that he is looking forward to playing on the regular circuit beginning Feb. 1 at the AIGT Pebble Beach Pro-Am in California, and to making his official debut in the Senior's Tradition tournament in Scotland's Ards, on March 29. Clearly, for Nicklaus, life does begin at 50.



Nicklaus: a few more goals



Adjani: haunted by rumors of AIDS

### FREEDOM OVER LOVE

French actress Isabelle Adjani says that she now regrets in the tormented *Whitechapel* madwoman Camille Claudel, who had a turbulent romance with fellow sculptor Auguste Rodin, in Caville Claudel, he is released on Feb. 2. Adjani plays Claudel, who, the actress says, these "broader and artistic liberty" over love. "I know something about that," noted Adjani, 34, a single mother of a 10-year-old son. She said that her suffering after being the victim of rumors that she had AIDS made her sympathize with Claudel's "perennial" she added, "I have been haunted myself."

### ROYAL INSPIRATION

Painter Allen Goffin says that it is not his business for an artist to become one is attached to his work. For that reason, added the 60-year-old retired artist painter, he devoted to part with the final preparatory painting of one of his favorite masterpieces, *God on Portland Head*, which he produced in 1962. "I'm a professional artist," said Goffin, a resident of New Brunswick, N.S. "I don't do my work just to keep to that I can look at it." The work, now on display for the first time at a Hamilton gallery, is priced at \$13,500 and is only half the size of the finished painting, bought by a Toronto collector for an undisclosed price. Goffin, who teaches there to four new painters weekly, which will be as much as \$300,000 each, and that Goffin on Portland Head, showing a young girl on a horse, was inspired by a short story of Queen Elizabeth II, which was to be shown at the time before a lay-outed home. "The Queen rode splendidly on a four-year-old horse, and I always liked that image a lot."

Goffin: inspired by Queen Elizabeth II



### Outshining hockey's number 1 star

In a *Search* for popularity, hockey player Luc Robitaille has beaten his famous teammate Wayne Gretzky. The 23-year-old L.A. Kings left winger, who leads his team in goals scored, has won more votes than any other NHL player in balloting by fans for this week's all-star game. Said team owner Bruce McNabb: "Luc's popular, dedicated and a great goal-scorer." It seems that, as Los Angeles, new stars are born every minute.



# Spendor on the Hill

A lavish drama evokes Ottawa 90 years ago

THE PRIVATE CAPITAL  
(CBC, Jan. 22, 8 p.m.)

Canadians appear to have an insatiable appetite for behind-the-scenes glimpses of political life.

Among the dozens of recent political biographies and insider exposés, Steve Gerson, Michele Landsberg, Allen Fotheringham and Sandra Goffredo have produced accounts of their lofty circles in Ottawa, New York City and Washington. These authors present a tabloid mix of political insights and cocktail-party gossip. But, according to a new, 25-hour docu-series, the gaily intimated politicians, ruminators and politicians have always intrigued the nation. The *Private Capital*, a frothy ensemble drama airing on Jan. 21, chronicles the triumphs and tragedies of Ottawa high society at the turn of the century. Based on Sandra Gerson's Governor General's Award-winning book of the same name, the show centres on Agnes Scott, a real-life social columnist who delivered the inside story on a pun but not always proper Ottawa. Like Gerson's 1994 book, the lavishly filmed production swoops into the private lives of Ottawa's vanished leaders to create an intimate portrait of the colonial capital. Using mostly men and women and society columns from the *Ottawa Free Press* newspaper and *Saturday Night* magazine, Gerson's docu-series is entertaining and in-depth social history. And, following a paper trail, she eventually discovered that one of her most frequent sources, the columnist "Anny(ella)," was journalist Agnes Scott, who worked for the *Free Press* from 1897 to 1903.

The series version of *The Private Capital*, however, dispenses with that mystery, unravelling Scott as Anny(ella) from the outset. Its scope is narrower than the book's five years in the history of the century. More akin to a modern lifestyle-of-the-rich docu, it offers a glittering portrayal of a society that Scott described as "immersed by its own reciprocal court." The drama loosely records the glens of coronations at night, the revels and games and the whirl of scandal being played out doors.

As *The Private Capital* begins, Scott played with easy grace by Toronto actress Maria

Burns, is attending a stuffy 1899 Government House reception. The journalists assembled to cover the ritual are described disdainfully in the event's formal program as having "no official position." Despite her lowly status,



Burns, Gerson's social of ball games and rebuff of scandal

Scott's supple columns—which provide the voice-over narration—trace the social lozenges of the charmed circle. For all her very observations, Scott casually shares the elite's exclusions for all things British. She patronically catches the tongue's cause during the Boer War (1899-1902) while lecturing in a lecture afternoon tea. But, other scenes depict Scott in South Africa, she lives among of her enthusiasm for British rule. And while the costumes to what

about her cocooned world, it is with a more critical eye.

That world includes well-known figures whose public and private personas add historical richness to the story. As the first world with such patriotic tones as *Soldier of the Queen* and *The Maple Leaf Forever*, Prime Minister Sir Wilfrid Laurier (Claude Préfontaine) is torn by his conflicting feelings for Canada, Quebec and Great Britain. At his side is the sophisticated hostess, Madame Laurier (Sherry Messier), who, various whippers, may also be his mistress. Laurier's acts as the Prime Minister's social master, polishing his English pronunciation and reminding him that the emphasis is on the first syllable of "empire." Less comfortable with Ottawa's politics is Lord, Lady Laurier (Geraldine Trillipson), who is typical of the kind of wide world politicians marry in their backwoods days—women who never quite adapt to life in the capital.

The *Private Capital* acknowledges that the imperial spirit was more than placed hats and gold head. Scott's romantic interest, David (Gordon Clapp), enters to fight in the Boer War in South Africa on a base of chivalrous fervor. He returns a disillusioned man, and horrifies Scott with tales of the brutal, unromantic campaign that the British established for Boer families.

Still, for the ruling class, life remained in glossy veneer with a ceaseless round of cocktails, dining parties, public soirees, secret assignations and political paganism. These occasions give the show the flavor of a well-paced and light opera: sweet but never cloying. And several dramatic moments give the connection some serious moments, such as when a tragic accident and an unexpected visit to Scott's romantic life add depth. As the tension, Burns projects the optimism and energy of the era's independent new woman. And Michael Ball, playing the affable Lord Alton, the Governor General's son-in-law, whose Ottawa society revolves, brings a convincing freedom to a staffed role.

The drama mixes social life of such historic Ottawa luminaries as Laurier's home and Parliament Hill. The dialogue, however, is sometimes anachronistic ("I'll wait for you, Harold, forever") or patently anachronistic. When Scott shows an adoration of the night of the Hill, she says, "Make us your own, oh, to be Canadian."

The *Private Capital* is a lively evocation of the past. And, while extruding power has always been the concern of Ottawa's leaders, free trade enthusiasts and Menck may have lessened the exclusion and optimism of life in the capital. Nay's lives later, the past of Anny(ella)'s work seems responsibly distant.

THOMAS STEDON



Trade, Gere's sex as the ultimate weapon in wielding power over other men

## FILMS

# Fatal attraction

Richard Gere graduates from bimbo to villain

INTERNAL AFFAIRS  
Directed by Michael Piggis

He has been a highly successful sex agent, out of the five-star movie stars willing to take off all his clothes and parade in front of the camera. And then he has in *Internal Affairs* (1994), a tough-brother cadet in *An Officer and a Gentleman* (1982) and a first love in *Breakfast at Tiffany's* (1961). Richard Gere proved that one can be badass too. In fact, the actor's onscreen appeal seems to depend on an air of dumb sexuality. Gere has not starred in a hit since *An Officer and a Gentleman*, but a new agent, Internal Affairs, turns his weakness into the opposite quality of his acts—into an asset.

In perhaps the most provocative role of his career, Gere portrays a villain: a corrupt Los Angeles cop who practices murder and seduction with chilling ease. In *Internal Affairs* is a stylish and sinister. It is an admirably pumping police thriller that relies less on action than on the gradual tightening of a homocidal tension.

Despite Gere's sex-baiting, *Internal Affairs* is not, strictly speaking, a Richard Gere movie. As the villain, Gere is almost a device, coolly controlled by British director Michael Piggis. The hero's role falls to Cuban-born American Andy Garcia, who brings compelling intensity to the role of Raymond, a Hispanic officer in the police department's Internal Affairs Division.

Tipped off by a case of police misconduct, Raymond begins to investigate Dennis (Gere), a respected street cop who, in fact, is involved in a web of criminal activities, from money laundering to murder. The father of eight children from three marriages, Dennis appears to love his wife. Yet he is also addicted to the thrill of losing other men's women: sex is his ultimate weapon in wielding power over other men. And when he realizes he is being outsmarted, he sets his sights on Raymond's wife. A police matter suddenly gets personal.

*Internal Affairs* is about the films of men rather than women. The police were not uncommonly pretty, victims and child abusers at the core of the plot. Raymond's wife, Kathleen (Diane Lane), works as a courier at a glamor art gallery—although the text more like a hostess at a fashionable dance. All of the movie's female characters are potential suspects in a network of sexual treachery, with one exception: Raymond's partner at work, purchasing Andy (Lauree Metcalf), is such a wife. But then, she is a lesbian, virtually one of the boys.

The movie's sexual stereotypes are not as bold as they might seem. They become reference points in a psychological drama about the madhouse power of jealousy on the male sex. And there is a hint of homoerotic tension among the men that undercuts the cliché. The three male leads have an easy camaraderie to one another. Garcia and W.

Sims Baldwin, who plays Dennis's nervous young partner, both share Gere's soft-edged features—the long face, sensitive eyes and close-cropped hair. From some to some, their faces seem to kiss one another, as if they are different versions of the same character.

The hero and the villain become brother-in-law, as the women go caught in the middle. *Internal Affairs* unfolds like a classic thriller. But there are no wild sex scenes. The violence is brutal, but contained. And some of the movie's central metaphors are left artfully unexplored. Denzel has first American movie. Piggis displays a brilliant talent. *Internal Affairs* is only his second theatrical feature, after the thriller *Shogun Monday* (1994). The director, who once played in a local with British pop star Bryan Ferry, helped compose the hypnotic sound track. The music and the images—artfully captured by cinematographer John Alcott—work well together, creating a tangible sense of menace.

Meanwhile, Piggis puts Gere's sleazy character in a subversive act. Dennis is an extremely sexual figure. In fact, he seems to spend all his time standing around sucking coffee with prostitutes. When he makes a threat, he makes terror sets as efficacious as when he kills. The camera seems to immortalize his evocative of violence. And Gere's sexualizing scenes are more erotic than killing. Despite a sporadic last-ditch attempt to explain his behavior, Gere's character remains a seductive enigma, attractive and repulsive. For once, the officer is no pretense.

BRIAN D. JOHNSON

## MAGAZINE'S BEST-SELLER LIST

### FICITION

1. *Salmon Gundy: The Hunt*, *Rollin' (1)*
2. *Penelope's Pendulum*, *For (7)*
3. *Spy Lee*, *Dayton (8)*
4. *According to Joe and the Kid*, *Al (10)*
5. *The Dark Half*, *King (5)*
6. *Caribbean*, *Mitchell (3)*
7. *The Sermons of Dambudzo*, *Edgington (9)*
8. *The Green and Secret Show*, *Reuter*
9. *Strength*, *Prosser (1)*
10. *A Natural Curiosity*, *DeVito*

### NONFICITION

1. *Home Game*, *Drum and McGee (1)*
2. *Beats on the Drive*, *Laurance (2)*
3. *After the Appleseed*, *Allen, Moore and Whitten (5)*
4. *Inventing the Future*, *Stekols (1)*
5. *A Wonderful Life*, *Gruhl (9)*
6. *Love's Poems*, *Levin*
7. *The American Model of Social Reform*, *Mittels*
8. *The Science of Sleepy Hollow*, *Agnew*
9. *Beats on the Drive*, *Allen, Moore and Whitten (5)*
10. *Penelope's Pendulum*, *For (7)*

Compiled by Brian Roberts



# Life and love on two wheels

BY ALLAN FOTHERINGHAM

**Y**ou must realize, first of all, that the major activity of a scullion is throwing things away. Most of the day is composed of opening letters and press releases and records and press and pamphlets and requests for donations and the sending of all, and then you walk for a charity auction. Since all scullions are cost-cutting professionals, we scullionally clean the day and time-waiting period—making up most of the morning and contributing to a compost heap that would normally amount three-quarters of the day of Conrad Black.

It is, therefore, advisable that when arriving in Canada, first, scullionally write after it was mailed an invite. "You and a Grant are invited to Officially Open the 1994 Motorcycle Show at the International Motorcycle Show '94."

I want to assure that anyone who is scullionally has been spent. The scullion truth is out. I can't spend three years as two wheels. I've tried to hide it, somewhat like AGF as a long and you've covered up, but someone has obviously spotted and the cat—out to incinerate the wheels—in out of the bag.

Scullion on two wheels, as opposed to four—the left of most of the moment population—is an experience directly to be viewed! This was best expressed as one of the surprise beneficiaries of our case. It was Zin and the Art of Motorcycle Maintenance. It was published in 1974. It went into 13 printings. It was by Robert M. Pirsig. He reached over his head of his case. It was his last ever book of his case.

It was a tale of how Pirsig, a man in search of himself, rode across the US and A, with a young son on the back of his saddle and discovered himself. He now has said it better: "You are always on a motorcycle or a motorcycle is a way that is completely different from either. It is not you're always in a compartment, and because you're not so it you don't realize that though that you wonder everything you are as you just see. You're a passive observer and it is all moving by you locally as a frame. It is not the best in your. You're completely in contact with it all. You're in the scene, not just watching it appear, and the



some of pressure is overwhelming. That comes when by five o'clock before you fast is the end of the day, the same and you walk on, it's right there, so blame you can't focus on it, yet you can just your foot down and touch it again, and the whole thing, the whole experience, is never removed from immediate consciousness."

Good stuff, brother to anyone who has fallen for the open-road excitement of two-wheeled travel. James Dean knew all about it, though he didn't die on a motorcycle as is legend; it was a full Porsche that did him in. Martin Brookes has his black leather jacket in *The Wild One*, spawned an entire generation of Harley Davidson B-4s, and Tokyo's Kawasaki—operating under the principle that if young North American youth didn't know them, they might as well do it stylishly—now markets machines that look out of a Buck Rogers custom shop.

Your age? spent three years in Europe on a

Vespa, an Italian invention that doesn't go as slow as a motorbike or as fast as a motorcycle, but just fast enough to get you into serious trouble. Survived is more the operative word than spent. It's absolutely amazing, the number of small European villages that have cobblestone streets that, when raced upon, can separate driver from steel faster than you can blink. It's astounding how swiftly the disrepair of a transport truck on a German autobahn, where there are no speed limits, can deposit you in an adjacent ditch. Simply remarkable what you can learn as two wheels.

There was the cow in Poland that did a corker north of O.J. Simpson, just as the driver passed it. Cow, even Polish cows, weigh more than a Vespa, and you would be absolutely dumbfounded at how much blood can come out the end of 20 fingers when they are the first things that hit rough Polish pavement.

As Pirsig indicates, there's an better way of seeing the countryside of Spain or feeling its texture than on two wheels. Or exploring Rome. And you can't best the parking

The joys of two-wheeled travel, while the rest of the world currently reacts to four, is accompanied by the realization that you are rich in concert with the low of averages. The larger you continue your youthful fond for speed and wind in your hair, the shorter becomes the odds. It is a fact, for example, that in every Vancouver, on Friday and Saturday nights in December and January and February, hundreds of long extra transport delays, knowing that body organs from healthy young males are likely to be available.

It is a pity that of us who have fallen all these many times, the odds are always leaning leftward, with nervous frenzy, to the day when the steel is shipped to the barn for the last time. This policy has led us in and out from Sweden to North Africa, from Warsaw to Ireland, from Africa to Cape Town, and on and on, just a bunch of children in Britain, the final leap from Paris to London was carefully nurtured in a winter in an atmosphere of their recent with frigidity. Plus a resolution that never again, supposedly a semi-grown man and no longer a boy, would this precious body be placed in anything as dangerous as a two-wheeled machine. I still look at bicycles, at some distance, with distrust.

The laid motorcycle people adverted the 18th anniversary (not Motorcycle Week of Borelwood) presentation: "Canada's motor cycle (bicycle) is now 30 years old. That's a bunch for the motorists, young guys, but I take

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